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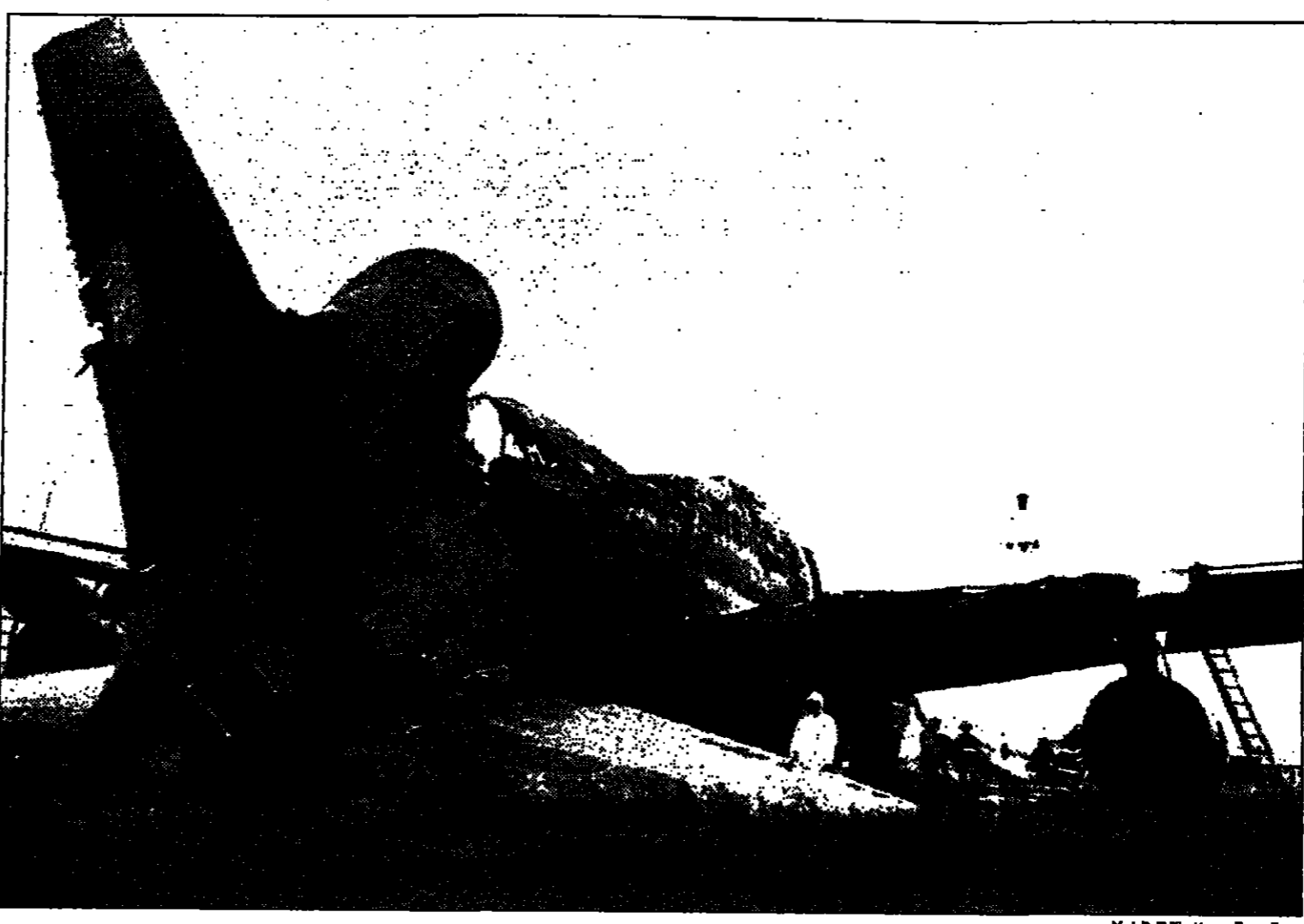
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Airliners Crash In Nepal and China, 213 Feared Dead

Compiled by Our Staff From Dispatches KATMANDU, Nepal—A Thai Airways jetliner carrying 113 passengers and crew slammed into the Himalayan foothills in heavy rain on Friday, with all aboard feared killed. Hours later, the Chinese reported that a China General-Purpose Airline plane had crashed on takeoff from Nanjing, killing at least 100 people.



Inspectors at Kennedy Airport in New York checking the wreckage of an L-1011. There were no casualties after the TWA jet aborted its takeoff.

Muslims Risk A Partition Of Bosnia, Serbs Warn

As Shelling Gets Worse, A Sarajevo Leader Says Nation Could Disappear By Chuck Sudetic

BELGRADE — The leader of the Serbian forces attacking and dismembering Bosnia-Herzegovina warned Muslims on Friday that they could find themselves left out of a possible Serbian-Croatian deal to divide the territory unless their leaders agreed to negotiate.

Ecological Savior Abroad, Japan Lags at Home

By Andrew Pollack TOKYO — At the Earth Summit in Rio de Janeiro in June, Japan pledged more than \$7 billion to help other nations fight pollution. But halfway toward the summit of Japan's own Mount Fuji, a four-story parking garage is being planned.

California Seemed Like the Kingdom Come, but Has It Gone Now?

By Robert Reinhold pealing symbol of California: his layoff notice. His services as a structural mechanic will no longer be needed after he picks up his last paycheck on Aug. 21. The recession-battered airline industry is not buying enough airplanes.

OLYMPIC PODIUM

U.S. 127, Brazil 83 The United States basketball team continued to run over its opponents in Barcelona, trouncing Brazil by 127-83 on Friday night. Charles Barkley led the way with 30 points. Despite a 1-3 Olympic record, Brazil stayed reasonably close until Team USA scored the last five points of the first half for a 60-41 lead.



Merlene Ottey of Jamaica, left, winning the first heat of the 100-meter dash in 11.26. Sisko Hambjoki, a Finn, took second place. Gao Han of China, rear, finished fourth.

Back From Drugs Ben Johnson of Canada, who left the Seoul Summer Olympics under a cloud four years ago for drug use, returned to the games Friday with a pair of solid races in advancing to the semifinals of the men's 100 meters.

Swim Laurels for U.S. U.S. swimmers closed out their Olympics in style, with Summer Sanders winning her fourth medal and Matt Biondi earning a record-tying 11th medal for his career.

Drug Review for 2 Two British weightlifters who were sent home from the Olympics in connection with questionable drug test results could be allowed back to the British Olympic team said. A spokeswoman for the team said the cases of Andrew Saxton and Andrew Davies were undergoing re-examination at meetings of sports officials in Barcelona and London.

Kids' Games? Little People And Medals

By Ian Thomsen BARCELONA — A 13-year-old Chinese girl wins the platform diving. Three 15-year-olds, each well under 5 feet, win the all-around medals in women's gymnastics. It's obvious that evolution will not be stopped. We know what must be done. The Olympic Games are going to have to enforce age and height requirements for its athletes.

EC Commission Endorses Membership for Sweden

By Charles Goldsmith BRUSSELS — Sweden's historic neutrality should not pose insurmountable obstacles to its joining the European Community, the EC Commission said Friday in a report that strongly endorsed Swedish membership.

Klosk Parliament in Greece Ratifies Maastricht Treaty

ATHENS (Reuters) — The Greek parliament ratified the Maastricht treaty providing for closer European Community political and economic union by an overwhelming majority on Friday.

Table with market data including Dow Jones, Trib Index, and currency rates.

UN Arms Inspector Cites New Evidence Of Iraqi Violation

New York Times Service
UNITED NATIONS, New York — Rolf Ekeus, the United Nations official in charge of dismantling Iraq's weapons of mass destruction, said Friday that his commission had received fresh intelligence on an arms-related project in Iraq and that a new inspection would begin soon, perhaps as early as next week.

"We have some good information," said Mr. Ekeus. "We will act as quickly as possible." He would not discuss the details of the source of his information but said that plans for a new mission had been drawn up late Thursday and early Friday. Team members have already been chosen, he said, and they will go to Baghdad "in early August."

Mr. Ekeus insisted that he was not responding to pressure from the United States to accelerate the inspection process as a way of testing Iraq's resolve following its agreement last week, after a 21-day standoff, to allow United Nations inspectors into a Ministry of Agriculture building. Little was found there in the end.

"We would never go just for the sake of accelerating the process, to force a confrontation," Mr. Ekeus said. "We would never go without a well-founded reason. Now we are working on something indeed."

Despite Iraq's strong resistance to his last mission, which eventually led the United States and other allies to contemplate military force, Mr. Ekeus said he was not expecting any significant objections to the next inspection team.

He also said that the names of the inspectors on the team would not be revealed to Baghdad until just before the mission begins. Identifying the arms experts involved in an inspection, he said, could allow Iraq to deduce the kind of mission planned and to take countermeasures.

Mr. Ekeus has been accused of capitulating to Iraq by choosing inspectors for the Ministry of Agriculture mission whose nationalities did not include countries involved in the allied war coalition, but he maintains that the inspectors were chosen for expertise first and nationality second.

A United Nations official who recently left Iraq had criticized the Ministry of Agriculture mission as misinterpreted from the start. But Mr. Ekeus, in response, said that the official, Doug England, had not been part of the inspection team and was not aware of all the intelligence involved.

United Nations officials have a mandate from the cease-fire that ended the Gulf War to go anywhere necessary to find and destroy Iraqi arms of mass destruction.

U.S. Sees New Challenges
John M. Goshko and Ann Devroy of The Washington Post reported earlier from Washington.
 U.S. officials believe that President Saddam Hussein has embarked on what one official called "a season of challenges."

They expect the Iraqi leader to keep trying to defy the restrictions imposed on Iraq after the Gulf War. Many officials believe that the next test of wills could come if President Saddam escalates ground and air attacks against Shiite Muslims in southern Iraq and tightens efforts to block food and other supplies from reaching the UN-protected Kurds in the north.

The Bush administration reiterated last Thursday that Iraq's attempt to stop Iraq's Shiite and Kurdish minorities. But it also said that Edward Perkins, chief U.S. delegate to the United Nations, was in error when he told Congress on Wednesday that the United States might ask the UN Security Council "within the next week" to authorize military action if Iraq continued to threaten these groups.

The reasons for correcting Mr. Perkins were not clear. Some officials insisted that he simply misunderstood a question and misspoke. However, others saw the move as an administration retreat. Consultations with other countries have made clear that unless the plight of Iraq's minorities worsens considerably, the UN Security Council is unlikely to approve such a step.

China, which can veto any council resolution, and several non-aligned countries on the council are strongly opposed to intervening in what they regard as another state's internal affairs.

UN sources said these countries were unwilling to address Iraq's treatment of internal minorities, even though a special UN investigator, Max van der Stoep, accused Iraq on Thursday of indiscriminate bombing Shiite villages.

U.S. officials contend that Security Council resolutions adopted last year ending the Gulf War already authorize the United States and its allies to intervene in Iraq. Officials have sought several times this week to emphasize that President George Bush is prepared to use that authority if necessary.

Despite such warnings, and despite the peaceful resolution of the latest confrontation over Iraqi efforts to bar UN inspectors from the Iraqi Agriculture Ministry, there is a feeling here that more trouble will follow.

"Saddam's defiance will not end with the incident, but will spread again," one high official said.



SEA TO SEA — The last barrier to a shipping artery between the North and Black seas being breached Friday as dredgers cleared an embankment for flooding the Main-Danube canal near the Bavarian town of Bellingry. The flooding capped 71 years of work.

German Doors Open Wider to Refugees

By Marc Fisher
Washington Post Service

BERLIN — While representatives of most of the European countries gathered in Geneva this week declared themselves willing to accept only small numbers of temporary refugees from war-torn Bosnia, the nation that has absorbed by far the most displaced Yugoslavs — Germany — is rushing to take in even more.

Even as opinion polls show that Germans, especially in the country's west, consider the "foreigner problem" the nation's most pressing issue, an extraordinary number of Germans, prodded by charities and press organizations, have volunteered to take refugees into their homes and urged the government to open its borders to Bosnians fleeing the war.

"When you see these terrible pictures on the TV, you have to ask yourself how you can help," said Petra Paulke, a woman in East Berlin who offered to take in a mother and child. "My husband's parents were refugees after the war, and when they were desperate

and hungry they were helped by someone with a heart."

Germany has accepted 205,000 refugees from the Yugoslav war this year, and this week it announced it would take in an additional 5,000. According to the United Nations High Commissioner for Refugees, Austria has accepted 50,000 of the refugees and Sweden 44,000. No other West European country has taken in more than a token few of those fleeing the war.

The German reaction has been fed by an overwhelming media push. Nearly every television newscast begins with extensive and extremely graphic footage of men, women and above all children who have been wounded and mutilated in street fighting. The Yugoslav story has dominated print and broadcast news here all summer.

Stern, a German weekly that led a successful drive last year to collect food and money for hungry Russians, has announced a campaign to find homes for Bosnian refugees.

"The popular concern is partly because of our geographic proximity to Yugoslavia," said a spokesman for Stern's Hansjörg Gauster. "But it's also because so many Germans recall very strongly their own flight and hunger" after World War II."

She said Stern's editors were struck by the contradiction between the readiness to help now and the popular consensus that, as many Germans put it, "the boat is full" — that the country cannot handle more foreign residents.

"But people are contradictory," she said. "They grieve about foreigners, and then they see these poor innocent children on television."

Germany's commissioner for foreigners, Cornelia Schmalz-Jacobson, said the groundswell of support for the Bosnian refugees showed that Germans "are considerably more ready to help and more community-minded than one would superficially assume."

She said Germany could accept many more refugees without fearing a popular backlash.

No Panic on Jetliner at JFK

All 291 Safe After Fire Aborts Takeoff of TWA L-1011

By Steven Lee Myers
New York Times Service

NEW YORK — The first sign Timothy Scheid had that something was wrong with Trans World Airlines Flight 843 was a dull orange glow on the cabin's video screen about 20 minutes before 6 P.M.

As the plane began to take off from John F. Kennedy International Airport in New York for a flight to San Francisco, he said, the nose rose only slightly and moments later the plane lurched sideways, jostling passengers.

"We turned to each other and shrugged," Mr. Scheid, a radio reporter, said of his fellow passengers in the second row of the coach section, "and made hand signals like pulling our hair out."

Mr. Scheid said smoke began to fill the cabin almost immediately, but he described the scene inside the Lockheed L-1011 Tristar as amazingly calm.

"I would have imagined this would be a flaming nightmare," he said. "While it was scary, people proceeded in an orderly fashion, like they had been through this before."

The flight attendants began evacuating the plane quickly, he said, "just the way they do in those instructional videos."

He said they ushered the 275 passengers down the aisles to the yellow escape chutes. The plane had a crew of 16.

Another passenger, Robert Harrison, of Stanford, California, described the moments before the flight as filled with foreboding.

"We knew it was a fire," Mr. Harrison said. "We knew we weren't going to be taking off. We smelled burning, and that's when the drama began."

But no one screamed.

"Mostly just 'Uh-oh,'" Mr. Scheid said. "It all happened very quickly."

After he slid down the chute, Mr. Scheid said, he met a girl on the tarmac. "She was looking up at the burning plane in awe," he said. "I said, 'Honey, it's time to get out of here.'"

Witnesses on the ground had seen flames and heavy black smoke pouring from the fuselage of the airliner as it crashed through a runway barrier, rolled 100 feet (30 meters) and came to a stop about a mile (1.6 kilometers) south of the terminal area. A swarm of emergency vehicles and personnel quickly surrounded the stricken plane.

The plane was destroyed in the fire. The rear of the aircraft was completely burned. The front end appeared to be intact, although it was sitting on its nose, indicating that the landing gear had collapsed. No one was injured seriously.

The L-1011, which has been out of production for nearly a decade, is the least common of the wide-bodied jets in service around the world, with fewer than 250 in operation.

There is nothing in the plane's safety record to provide an immediate clue as to why one burned on takeoff Thursday at JFK.

The last major crash of a Tristar in the United States was at Dallas-Fort Worth Regional Airport in 1985. The crash, which killed 137 people, was attributed to error on the part of the pilot — who tried to land in a thunderstorm — and not to any feature of the plane itself.

Last April, a Delta Air Lines L-1011's tail engine burst into flames as it prepared for takeoff at Kennedy, but in the immediate aftermath of the accident on Thursday there was nothing to suggest a link between the two episodes. The fire in April was extinguished quickly, and there were no injuries.

ASSAULT: Serbian Threat

(Continued from page 1)

Slijedzic — who attended this week's European Community-sponsored meeting in London — called Mr. Karadzic a "terrorist" and stressed that the Muslims would not accede to any plan to partition Bosnia-Herzegovina.

Mr. Karadzic said the "Serbian Republic" would demand a strategic swath of Croatia's Adriatic seacoast that Serbian forces overrun and looted last autumn and have occupied ever since.

Shooting Closes Airport
 The fighting Friday temporarily shut down the airport, for the third time since UN peacekeepers took it over a month ago and tried to make it safe for flights bringing food and medicine, news agencies reported. It reopened before the end of the day.

The Sarajevo crisis center said 11 people had been killed in shelling and sniping during the 24 hours since noon Thursday.

A mortar shell that exploded outside the presidency killed two people. Another person died while walking in line for water.

Several others were reported to have died in explosions in the shopping district, where crowds were out in the sunshine after a second successive night of heavy shelling.

It was part of a steady escalation of violence since Wednesday. (Reuters, AP)

U.S. Shuttle On Complex Dual Mission

Compiled by Our Staff From Dispatches

CAPE CANAVERAL, Florida — The Space Shuttle *Atlantis* is scheduled to orbit Friday for the most complex mission in shuttle history — to release one satellite into space and to test another at the end of a 12-mile sheathed copper wire.

One satellite, the \$400 million European Retrievable Carrier, or EUREC, is to be put into orbit Saturday morning by the Shuttle.

Developed by the European Space Agency, the satellite is prepared for an array of experiments to study the effects of weightlessness on crystals, seeds, spores and eggs. The plan is for a crew to retrieve it in nine months.

The other satellite, a half-ton sphere with physics instruments, is to be released out Monday in an experiment to see how a heavy object linked to the shuttle can be controlled and how well the system generates electricity.

Planners insist that the tether experiment, though complicated, is safe. If it works, tethering might become part of space operations, providing electricity for spacecraft and exploring parts of the atmosphere too high for instrument-laden balloons but too low for satellites.

The shuttle crew consists of five Americans, an Italian and a Swiss. The Italian is Franco Malerba, an electrical engineer with the European Space Agency. The Swiss is Claude Nicollier, a research scientist with the European agency. (NYT, UPI)

WORLD BRIEFS

Yeltsin Expected to Make Japan Trip

MOSCOW (Reuters) — President Boris N. Yeltsin will go ahead with his planned trip to Japan despite growing turmoil at home over how to solve a long territorial dispute with Tokyo over four islands, the Foreign Ministry said Friday.

"Our assumption is that the visit of the president will take place at the time scheduled," the Foreign Ministry spokesman said. "It will aim to turn a new page in relations between Russia and Japan."

Concern that Mr. Yeltsin might put off his trip grew after a stormy parliament session this week to discuss the future of the four Russian-held islands off northern Japan. Tokyo insists on their return before it will give Russia economic aid.

China Joins Global Copyright Pact

BEIJING (Reuters) — China will join a global copyright convention as part of its program of economic change, the Xinhua news agency said. It said Qin Guolin officially notified the United Nations Educational, Scientific and Cultural Organization, to which he is a representative, of the decision on Friday.

American trade negotiators had pressed Beijing to carry out promises to protect patents and copyrights. China promised last year to join international copyright organizations.

"The decision was a result of China's policy of deepening reform and opening to the outside world," Qin said. "It also reflects China's good wishes to perfect the copyright protection system and promote international exchanges in literature, arts and science."

Honecker Left Willingly, Russia Says

MOSCOW (AP) — The former East German leader, Erich Honecker, left his refuge in Russia willingly, despite statements from his lawyer that he was forced out, a Russian Foreign Ministry spokesman said Friday.

"He didn't take any actions that would question his free will to leave, the territory of the Russian Federation to satisfy the requirements of the Chilean side," a Russian spokesman, Sergei Yestrzhembskiy, said.

He also denied that Russian Security Ministry agents mistreated Mr. Honecker on Wednesday. The German, who had been held up in the Chilean Embassy since December 1991, boarded a special flight that took him to Berlin on Wednesday. He was immediately arrested on manslaughter charges in connection with shoot-to-kill orders issued to East German border guards.

Italy Maps Secret War Against Mafia

ROME (Reuters) — The Italian government named its top anti-Mafia official as head of civilian intelligence on Friday as it prepared to throw its secret agents — relatively idle since the end of the Cold War — into the battle against organized crime.

Angelo Finocchiaro, Italy's anti-Mafia high commissioner since August 1991, was appointed head of civilian intelligence, according to an official statement. Mr. Finocchiaro, 62, a Sicilian, was civil governor in Palermo when the Italian state dealt its most powerful blow against the Mafia, a mass trial of some 350 gangsters in 1987.

Prime Minister Giuliano Amato called for agents to be drafted after two leading Sicilian public prosecutors, Giovanni Falcone and Paolo Borsellino, were murdered in Palermo. He said secret agents were no longer needed to fight the former Soviet KGB secret services.

Full Penalty Sought in AIDS Trial

PARIS (Reuters) — A French public prosecutor demanded the maximum sentence on Friday for chief accused of four former health officials on trial over the contamination of AIDS blood banks in the mid-1980s.

The prosecutor told a Paris court that Dr. Michel Garretta, former director of the national blood transfusion center, should be jailed for four years and fined 500,000 francs (\$100,000). Dr. Garretta and three other former health officials are accused of allowing blood they knew to be contaminated with AIDS to be given to hemophiliacs. Some 1,200 hemophiliacs got AIDS from the transfusions and 256 have died so far.

The prosecutor, Michele Bernard-Rouquin, said Dr. Garretta had been obsessed by success, pursued power, and had not hesitated to "manipulate, lie and compromise."

TRAVEL UPDATE

Continental Gives Away \$99 Coupons

DALLAS (AP) — Continental Airlines offered coupon worth \$99 Friday for flights through mid-September. The coupons, printed in 75 newspapers, are valid for one-way fares on most routes coast-to-coast, but require a round-trip purchase.

Continental imposed other restrictions — at least two people must travel together and the airline exempted routes between Florida and cities in the Northeast and Midwest. Under a one-week stay certificate, travel must start by Sept. 13 and end by Sept. 20. Under a 15-day advance purchase certificate, travel must start by Sept. 11 and end by Sept. 15.

Delta Air Lines, meanwhile, said it would trim its 14-day advance purchase fares by 30 percent through August for travel into December. But Delta also said it would raise all fares 5 percent on Sept. 1.

A sea-level outbreak in the Indonesian province of Irian Jaya has left at least 12 people dead and hundreds seriously ill, the Indonesian news agency Antara reported.

Portugal has approved plans for another bridge over the Tagus river, Lisbon. The 11.5-kilometer (7.1-mile) six-lane highway will span the river from Sacavem, on the north bank, south to Montijo. The privately funded bridge, due to open in 1997, will cost an estimated 140 billion escudos (\$1.1 billion) and will cut traffic on the existing bridge by half. (AP)

Danish SAS cabin attendants returned to work Friday, ending a 30-hour strike that had forced the airline to cancel 38 international and domestic flights. The attendants contended that SAS planned to dismiss 160 Danish stewards and stewardesses after the carrier's purchase of Sweden's domestic airline, Linjeflyg. (AP)

The Weather

Forecast for Sunday through Tuesday

North America: Partly sunny with scattered clouds; cooler weather Sunday. Partly cloudy with light rain Sunday and Monday. Thunderstorms will develop the south-Atlantic shores. Awest wind gusts from the coast, California remain very hot.

Europe: Partly sunny with mainly dry, seasonal weather Sunday. Partly cloudy with light rain Sunday and Monday. Thunderstorms will develop the south-Atlantic shores. Awest wind gusts from the coast, California remain very hot.

Asia: Clouds and ocean winds will be strong Sunday and Monday. Showers and drizzle as well. Korea and Japan will be mostly cloudy with some sun and scattered thunderstorms. A thunderstorm may break out early of the week. Southern Europe will be quite hot through Tuesday.

Africa: Clouds and ocean winds will be strong Sunday and Monday. Showers and drizzle as well. Korea and Japan will be mostly cloudy with some sun and scattered thunderstorms. A thunderstorm may break out early of the week. Southern Europe will be quite hot through Tuesday.

Latin America: Partly sunny with mainly dry, seasonal weather Sunday. Partly cloudy with light rain Sunday and Monday. Thunderstorms will develop the south-Atlantic shores. Awest wind gusts from the coast, California remain very hot.

Middle East: Partly sunny with mainly dry, seasonal weather Sunday. Partly cloudy with light rain Sunday and Monday. Thunderstorms will develop the south-Atlantic shores. Awest wind gusts from the coast, California remain very hot.

Oceania: Partly sunny with mainly dry, seasonal weather Sunday. Partly cloudy with light rain Sunday and Monday. Thunderstorms will develop the south-Atlantic shores. Awest wind gusts from the coast, California remain very hot.

Legend: S=sunny, P=partly cloudy, O=cloudy, SH=showers, TH=thunderstorms, R=rain, SN=snow, F=fog, H=heavy rain. All maps, forecasts and data provided by Accu-Weather, Inc.

JAPAN: Mixed Signals on Ecology

(Continued from page 1)

and has allowed overdevelopment that threatens coral reefs.

"What Japan is saying to the world is that Japan is doing here are quite different, and I am ashamed," said Michio Naito, who lives near the base of Mount Fuji and is leading a fight to stop a prefectural government from building the 500-vehicle parking garage at an elevation of 2,300 meters (7,600 feet), about 1,400 meters below the summit.

He said the existing one-level parking lot at that location had already caused a problem by funneling rainwater into a powerful stream that had carved out a gully, knocked over trees and deposited a head of garbage at the base of the mountain, which is regarded as a national symbol.

Government officials agree that Japan sees innovative technology as the solution to environmental problems and as its main contribution to the effort.

"Japan's interest in the global environment is strongest in the area of energy and industry rather than in nature conservation," said Katsuo Seki, who retired last month

from his job as deputy director-general for global environmental affairs at the Ministry of International Trade and Industry.

"In the case of the U.S., we see you are so active in nature conservation, where you might not be interested in energy conservation and recycling."

The driving force behind the environmental movement is different in Japan than in the United States and Europe. In Japan, environmental groups are small, poorly financed and largely unheeded.

"We don't quote our membership, it's so low," said Naomi Kamei, coordinator for Friends of the Earth Japan.

Rather, the ecological push in Japan is being driven by the government and by industry.

The government sees the environment as perhaps the perfect arena in which Japan can respond to pressure from other nations that contribute to world affairs in a manner commensurate with its wealth.

As for companies, they see huge opportunities in the sale of pollution-control equipment and environmentally friendly products.

Russia Lists 39 Missing Americans And Asks Help to Learn Their Fate

Compiled by Our Staff From Dispatches

MOSCOW — A commission set up by the United States and Russia to find missing Americans who were held in the Soviet Union during and after World War II made public on Friday a list of 39 people and appealed for help to learn their fates.

The list, published in the Russian newspaper Rossiyskaya Gazeta, comprises 13 women and 26 men, all U.S. citizens of Slavic or Lithuanian background, who would range in age from 56 to 102.

Within hours of the list's being publicized, a Pennsylvania man identified one of those listed as his sister, John Berko said that his sister had returned to the United States in 1961 after years in a Soviet psychiatric hospital.

General Dmitri Volkov, joint chairman of the commission, said the relatively young age of some gave him reason to hope these might still be alive. He said the commission had found list of Americans and was distributing it to help identify information.

The general said all the Americans were civilians, not military personnel.

Following is an excerpt of information from the list that appeared in Rossiyskaya Gazeta, as translated by The Associated Press:

Sagata, Add Alexandrovna, born 1906, Lithuania. Berko, Irina (Irene) Mikhailovna, born 1925, Bradock, U.S. Ukrainian.

Dovgich, Stepan (Sifan) Stepanovich, born 1927, New York, Byelorussian. Fedak, Maria Petrovna, born 1903, U.S. Hungarian. Dragula, Anna Dmitriyevna, Transcaucasian; and her five children:

Dragula, Vasil (Charlie) Fyodorovich, born 1923, Dragula, Sverdlov (Franz) Fyodorovich, born 1930, Dragula, Maria (Mary) Fyodorovna, born 1925, Dragula, Margarita (Margaret) Fyodorovna, born 1929, Dragula Ivan (John) Fyodorovich, born 1923.

Serevichik, Pavel (Paul) Kirillovich, born 1917, Chicago, Byelorussian. Kozetskaya (Kolodi), Maria Vasilovna, born 1919, New York, Ukrainian.

Rudyk, Lueta (Lietta), born 1930, Passaic, U.S. Ukrainian. Nizhich, Daneli (Danish) Demich, born 1936, Chicago, Ukrainian. Nikitchik, Fyodor, born 1927, Chicago, Ukrainian.

Senko, Mikhail (Michael) Ivanovich, born 1922, U.S. Ukrainian. Senko, Yvan (Jan) Ivanovich, born 1922, U.S. Byelorussian. Isayzyk, Alexander Andreyevich, born 1910, New York, Byelorussian.

IMPACT
 REPUBLICAN SENATORS
 ALSO SHOWS NEW TEMPLATES
 FROM THE HUSTINGS

150 من الالهي

CAMPAIGN '92 / PARTISAN PERCEPTIONS

★ ELECTION NOTES ★

'Robocandidate' Becomes a Star

PHILADELPHIA — Doing her best to warm up a noontime rally, Lynn Yeckel, the Democratic Senate candidate in Pennsylvania, was taking too long in getting to the main attraction for some in the crowd of nearly 10,000 packed into John F. Kennedy Plaza. "We only have an hour," a woman cried out from the throng, a touch of exasperation in her voice. In other words, bring out Senator Al Gore of Tennessee, the Democratic vice presidential candidate and the one people had come to see.

On his first solo campaign swing as Governor Bill Clinton's running mate, plenty of voters agreed, judging from crowds in Georgia, North Carolina and Pennsylvania. And that is a marked contrast to Mr. Gore's foray into the 1988 presidential race, when his "Robocandidate" persona brought his campaign to an unsuccessful end.

"It's a good fit this time," said a former North Carolina governor, James B. Hunt Jr., of Mr. Gore and his Arkansas running mate. For Mr. Hunt, who is seeking to return to the governor's mansion in Raleigh this year, having two southerners at the top of the ballot makes an important difference. The best comparison he could find was in 1960, when another "new-generation" candidate, John F. Kennedy, narrowly carried North Carolina with Lyndon B. Johnson of Texas on the ticket. (WFP)

'We Want Baker,' Republican Senators Chant

WASHINGTON — Briefing Republican senators on his recent Middle Eastern trip, Secretary of State James A. Baker 3d found himself under new pressure to take charge of President George Bush's re-election campaign. "I told him, 'You're doing a fine job in the Middle East, and now we need you to come into the campaign as soon as possible,'" Senator Trent Lott of Mississippi said after the meeting. He said other Republican senators had also urged Mr. Baker to take over the Bush campaign, but neither they nor Mr. Baker would say whether he had told them he would.

Campaign sources said Mr. Baker was expected to step aside as secretary of state and direct the campaign after Prime Minister Yitzhak Rabin of Israel visits Washington Aug. 10 and 11. (Reuters)

Bush's Wife Also Shows Her Temper

TALLAHASSEE, Florida — Barbara Bush snapped at a reporter who asked if her husband was conducting a "lost campaign."

She showed her irritation after she had met with Republican supporters and gone to the Florida Baptist Children's Home to read to children aged 8 to 10. After being presented with a T-shirt with the children's names on it, she faced reporters and became angry when asked what she thought about rumblings that her husband's re-election effort was already a lost cause.

"How could you ask me that?" she responded. "How could you ask me that after you saw what I did today?" (UPI)

A Republican Villains List

WASHINGTON — High Bush administration officials are no longer predicting that greatly increased prosperity lies just around the corner, and they have shifted their strategy to try to explain why the economy has been so lackluster. Their villains: the cost of the Cold War, the end of the Cold War, President Saddam Hussein of Iraq, Congress, the Federal Reserve, consumers, banks, other presidential candidates and the media. (WFP)



President Bush getting a look at the Superconducting Super-collider project during a stop in Texas, en route to California.

Quote-Unquote

Richard N. Bond, chairman of the Republican National Committee: "Clinton's right now having his honeymoon. He's out there having his free ride, telling people how wonderful he is, and he's the heart of the heartland. And the fact of the matter is, when the Republican convention comes we'll put it all in perspective." (IHT)

Away From the Hustings

- Federal prosecutors in Los Angeles may seek grand jury indictments against at least three of the city's police officers on charges that they violated the civil rights of Rodney G. King, the black motorist whose beating at the hands of the police was videotaped.
- Several chiefs of the nation's military branches told the House Armed Services Committee that they strongly opposed placing women in combat positions and said that they regarded male bonding as a critical element of the "warrior spirit."
- Reaffirming one of the toughest rape laws in the United States, the New Jersey Supreme Court said that physical force need not be involved in order to convict a person of sexual assault.
- Congress is advancing a \$400 million pilot project that would require welfare recipients and the unemployed to work in government jobs rebuilding their communities.
- Federal officials ordered excavation halted permanently where a 34-story office tower is being constructed over a colonial-era cemetery for blacks in New York City. The future of the site will be decided by a national advisory panel that the officials said they would create with Mayor David N. Dinkins.
- American are less likely to move to the West, the Census Bureau said. The South and the West remain the most popular destinations for people moving inside the country, but the industrial Midwest has been drawing more and more migrants since 1981.
- A tank flipped over during training exercises at Camp Shelby in Hattiesburg, Mississippi, killing three Tennessee National Guardsmen and injuring three others.
- A bill that would ban export of anti-personnel land mines (or a year) has been introduced in the Senate. The measure is seen as a step toward ending the carriage U.S.-produced mines have wrought in Afghanistan, Cambodia and other Third World countries.
- Doctors at the John Wayne Cancer Institute in Los Angeles have developed a vaccine that prolongs the life of patients suffering from malignant melanoma, the deadliest form of skin cancer.
- The Federal Emergency Management Agency was characterized in a House report as "a political dumping ground" filled by the Bush administration with inexperienced appointees who have mismanaged the agency, misled Congress and funneled consulting contracts to friends. The agency manages the federal government's response to natural and man-made disasters.

LAT, WP, NYT, Reuters, AP

California Clinton and Bush Elbow for Position on 'Values'

By Thomas B. Edsall

Washington Post Service

California Revival Is Bush Aim

He Hits at Clinton On Military Cuts

By Michael Wines

New York Times Service

RIVERSIDE, California — Once California was solid Bush country. Now it is the belly of the beast, and President George Bush entered it still searching for a formula to revive a suddenly and ominously flagging bid for re-election. On a two-day visit to the state, Mr. Bush was involved in what may be a bellwether of his campaign's ability to pull out of a national slump that so far has defied eight months of strategizing and sometimes hapless politicking.

"Just you wait two weeks from now," he said in Riverside on Friday, referring to the start of the Republican convention in Houston. "I've been going through a little javelin-catching for about 10 months from the political opposition and I cannot wait for my convention to roll up my sleeves and tell the American people what's really going on."

He said of the Democrats: "They've been dishing it out for 10 months. Let's see if they can take it."

At an appearance in Anaheim, near Los Angeles, on Thursday, Mr. Bush offered evidence that his campaign may be awakening: a barbed, finger-jabbing lecture on military policy to his Democratic opponent, Governor Bill Clinton of Arkansas, that had a roomful of high-technology factory workers on their feet cheering.

Without naming Mr. Clinton, the president riddled his foreign and defense policies, joking that they took up but 141 words in Mr. Clinton's 34-minute acceptance speech at the Democratic convention last month.

"And if you blinked or had to do something else, or even heated up a ham and cheese sandwich in the microwave, you missed the entire part."

The president accused Mr. Clinton of advocating "reckless" cuts in military spending that would be wasted on pet Democratic projects, "beating swords into pork barrels." "Cuts of that magnitude would jeopardize America's ability to defend our citizens, our interests and our ideals," he told 300 workers at Odetics, a company that makes robot-like machines for the military and industry. He added, "Let me bring it very close to home: Cuts of that magnitude would cost workers in the defense industry as many as 1 million jobs."

Mr. Clinton favors gradually reducing the Pentagon's \$300 billion-a-year budget between \$60 billion and \$90 billion a year after five years.

Mr. Bush proposes a similar phased-in decrease, but totaling about \$45 billion.

The president's campaign spokeswoman, Torie Clarke, later beamed. "We're talking about some very fundamental differences in philosophy," she said.

Mr. Bush's new sharpness will also delight many California Republicans.

But there is so much more to do, they say. And the hour is very late. "He's in deep trouble in California," said Steven A. Merksamer, a Sacramento lawyer who headed Mr. Bush's California strategy committee in 1988.

"If the election were held today he'd lose, and lose big. There's even a sense of despair, which I think the campaign has to act very quickly to turn around. These people want to see some light."

Indeed, Mr. Bush's 1988 thrashing of Michael S. Dukakis in prosperous Orange County southeast of Los Angeles, by a 2-to-1 ratio, seems a dim memory these days.

One California poll shows Mr. Bush trailing Mr. Clinton by 34 percentage points statewide, and some political experts here say the situation in Orange County is little better.

The good news, Mr. Merksamer said, is that Mr. Bush can still win California in November.

The bad news is that it will be "extraordinarily difficult" and is growing more so "with each passing hour," he said.

Worst of all, Mr. Merksamer might have added, is that the campaign's woes in California are but a magnified version of the troubles that plague Mr. Bush everywhere: a bad economy, a listless re-election strategy and the widespread view that the president has little to offer in the next four years.

Political strategists here and in Washington say Mr. Bush is losing the main ingredients of the voter coalition that carried him to victory over Mr. Dukakis four years ago.

One is the Reagan Democrats, the blue-collar workers who deserted Mr. Dukakis, Walter F. Mondale and Jimmy Carter to vote Republican in the last three presidential elections.

WASHINGTON — Underlying the debate over what political strategists call "values" questions is a no-very-subtle struggle between Bill Clinton and George Bush over who better represents middle-class — and heavily white — America.

An assortment of symbolic issues — the television character Murphy Brown, the rap singer Sister Souljah, welfare and gay rights, and the personal lives of the candidates themselves — has become the terrain for class and racial appeals designed to shape competing partisan perceptions of "us" and "them."

Mr. Clinton took his party's liabilities on values issues head-on when he accepted the Democratic presidential nomination two weeks ago "in the name of all the people who do the work, pay the taxes, raise the kids and play by the rules — in the name of the hard-working Americans who make up our forgotten middle class."

His clear purpose was to recast the image of the Democratic Party, which has been portrayed as committed more to the nonworking poor and what Vice President Dan Quayle has called "the cultural elite" than to the working and middle classes, as supporting welfare more than work and special preferences for blacks and other minorities more than reward of merit.

It is an image that Mr. Quayle, in particular, has sought to reinforce and that Mr. Bush has begun to evoke as the general election campaign begins.

In a closed meeting with former Reagan administration officials this week, for example, Mr. Bush cited family values among the defining differences between him and the Democratic ticket. Poll results that showed "George and Barbara" behind "Bill and Hillary" on the family-values issue, he said, just prove how untrustworthy polls are at this stage of the campaign.

In a speech in New Jersey the other day, the president was more explicit in describing the Democratic Party as a pro-

ponent of sexual license and parental irresponsibility at a time when the American family is "under siege."

"On one side, the advocates of the liberal agenda; on the other side are you and I and those values of family we share," he said. "They want to tighten the monopoly on our kids' education. They want public schools to hand out birth-

'On the one side, the advocates of the liberal agenda; on the other side are you and I and those values of family we share.'

President Bush

control pills and devices to teenaged kids. I believe kids need mothers and fathers, not 'big brother' bureaucracy."

The political use of these kinds of issues is hardly new. They have played a role in every election since 1964. What is different in 1992 is that the Democrats, who have traditionally been deeply divided themselves, are not automatically relinquishing the field.

At a personal level, having suffered allegations of marital infidelity and draft evasion, Mr. Clinton would appear vulnerable on issues of family and values. But at this early stage in the campaign, and with Mr. Bush weakened by a deteriorating economy, Mr. Clinton has gained the initial advantage in this battle to appear representative of commonly shared values.

On a broad scale, his success is reflected in his decisive lead in the polls, but it is more sharply revealed in detailed questioning of key swing voters.

Interview and focus groups conducted by The Washington Post and other organizations, for example, have found exceptionally high awareness of Mr. Clinton's drive to win approval of a more moderate, less liberal platform.

And, among white ethnic voters, many of whom voted Republican in recent years, there was a high level of favorable recognition of Mr. Clinton's efforts to keep the Reverend Jesse Jackson at arm's length, and his denunciation of a comment by Sister Souljah that blacks might consider killing whites instead of one another.

For Mr. Clinton, such symbolic gestures are critical gambles in a delicate attempt to retain traditionally strong black support while regaining the white working- and middle-class support essential to achieve a majority.

Charles Black, senior advisor to the Bush campaign, said that in an effort to revive the "typical coalition we have assembled in the last three campaigns," the campaign will raise such issues as Mr. Clinton's support of gay rights and Mr. Bush's backing of school choice, including financial support for parents sending children to parochial and private schools, his opposition to abortion, and his support for prayer in school and welfare reform.

Mr. Black described a strategy designed to chip away at voters who may now be leaning to the Democrats with specific appeals to such groups as ethnic Catholics, white conservative Democrats in the South, veterans and such conservative religious organizations as Southern Baptists and other predominantly white evangelical denominations.

Although at the moment Mr. Clinton has the edge in this values contest, the Democratic Party has in recent years been far more vulnerable to division and conflict over values issues — and it could be again.

The potential divisiveness of such issues within the party was demonstrated at the meeting of Mr. Jackson's Rainbow Coalition, where Mr. Clinton denounced Sister Souljah.

"How can you reassure us that appeals to the quote, 'middle class' is not a new code word for avoiding the issue of racial justice?" Mr. Clinton was asked, to applause.

He responded that "if trying to restore the middle class in this country is a code word for racism, we are in deep trouble."

"We might as well fold our tent and go home," he said.

Democrat Defends War Stance

Los Angeles Times Service

LITTLE ROCK, Arkansas — It is not always easy to stay on the offensive, as Governor Bill Clinton of Arkansas, the Democratic presidential nominee, is finding.

With the government's release of data showing economic growth slowing, Mr. Clinton broke into what was to be a day off the campaign trail to shake his finger at the Bush administration.

Instead, at a news conference Thursday, he found himself trying to deflect a Bush campaign assault on his position on the Gulf War.

At issue was Mr. Clinton's stance in January 1991, when Congress was faced with a vote over whether to continue sanctions against Iraq or to give the president authority to send U.S. troops into combat.

The Bush campaign took issue with Mr. Clinton's statements that he supported the war, using local press reports to suggest some ambivalence on the issue.

In a wire service report on Jan. 15, 1991, two days after Congress voted to give the president authority to go to war, Mr. Clinton described his position as follows: "I agree with the arguments of the people in the minority on the resolution — that we should give sanctions more time and maybe even explore a full-scale embargo."

That same day, an Arkansas newspaper quoted Mr. Clinton as saying that he probably would have voted to give the president authority to go to war.

"I guess I would have voted with the majority if it was a close vote," he said. "But I agree with the arguments the minority made."

Mr. Clinton said Thursday that he did not agree with the minority, but merely understood the views of those who favored continued sanctions. He said that he would have voted to give the president authority to wage war to maintain a united front against Iraq.

For another candidate, the issue might not be as potentially problematic. But for Mr. Clinton, it amounts to another accusation that he shades the truth for political benefit.

When asked repeatedly over a period of years whether he had smoked marijuana, for example, he said he had never broken the laws of his state or nation. Then, last spring, he acknowledged that he had smoked marijuana while in Britain — but had not inhaled. He also acknowledged that there had been a "pattern of omission" in his previous answers.

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Herald INTERNATIONAL Tribune. Published in New York, London and The Washington Post.



CLIFFORD'S ARRAIGNMENT — Clark M. Clifford, the Washington lawyer, entering U.S. District Court in Washington on Friday. He and his partner, Robert A. Altman, pleaded not guilty to criminal conspiracy charges linked to the BCCI scandal. Page 7.

KINGDOM: In California, a Realm of Dreams That Came and Went

(Continued from page 1)

drug-treatment programs, schools and colleges.

Despite all this, there are signs that there will always be a California, in the sense conveyed by Remi Nadeau in his 1963 book "California: The New Society."

"California, perhaps more than any other state, is really a fulfillment of the American dream. Except for some areas of blight, here is the good life — considerable comfort, escape from drudgery and hardship, reasonable leisure time, and the environment to make the most of it. Is this not the American promise — freedom to enjoy life as the fruit of honest labor? Following the American tradition to its ultimate, California is really a sort of secular Kingdom Come."

And indeed, California was the Kingdom Come for Robert Wunsch when he migrated to Los Angeles from New York in 1958.

Then, he said, "we all felt the world was our oyster, and California was the leading edge. It was as though I came in a covered wagon. Los Angeles was just Hollywood, oranges and surfers. It was really like a frontier."

"Now," says Mr. Wunsch, a Hollywood talent agent whose home sits near where looters burned stores in the recent riots, "suddenly we see ourselves in despair. We thought we were the leading edge of social and racial tolerance, but even liberals have fled. This dream of California as a golden place has now turned sour. I feel an enormous hostility has taken over the city. Half my friends own guns."

More than 100 miles (160 kilometers) from the frenzy of Los Angeles, over the Tehachapi Mountains in Kern County, no such complaints come from Octaviano Quintino and his wife, Estella. The Mexican immigrants have found their California dream, spending long hot days picking grapes in the Central Valley at \$5.50 an hour.

"We have steady work, the children are getting good educations and we have good health care," Mr. Quintino said in Spanish, deftly packing green seedless grapes into a wooden crate.

Like many affluent Californians, Dr. A. B. Falcone and his wife, Patricia Lalin Falcone, of Fresno in the Central Valley, trace the state's troubles to illegal immigration from Mexico. "The problem is illegal aliens," Mrs. Falcone said.

They are really sapping the economy of Fresno.

The California downturn has brought deep disappointment to the Falcones, who have been leading a local crusade to bring a new campus of the University of California to Fresno; that expansion has now been indefinitely shelved.

For young Californians, the future seems bleaker than it did for

their parents. Fees at state colleges have risen rapidly, and class offerings are dwindling as a result of the state budget crunch.

"I'm really worried," said Janice Krusinsky, a senior at the University of California at Santa Barbara. "It's so much more difficult to find a job. There's a lot of confusion."

Nearly three years ago, the powerful Loma Prieta earthquake wrecked the home of Forrest and Sandra Hill, who lived just six miles from the epicenter in the Santa Cruz Mountains.

Mr. Hill, a building contractor, came from Manhattan Beach, California. 12 years ago, his wife, a native of Toronto, has been here 20 years and works as a flight attendant for American Airlines out of San Jose. They scarcely considered moving away and recently finished building a new home on the same site.

Why did they stay? "The Midwest has tornadoes, the Southeast hurricanes, the East freezes. Idaho has conservatives," Mr. Hill said.

A few miles below, the city of Santa Cruz is still rebuilding from the quake, which destroyed most of the historic downtown.

Sitting in front of the post office, a 27-year-old homeless woman, Kelly Dodson, bemoaned the state-budget crisis, which stands to affect her more than most Californians because of expected deep cuts in welfare.

"This is an expensive town to live in — there are a lot of snobs," she said, explaining that she usually sleeps in a tent she bought for \$2.

California, she went on, is "going down — our government doesn't know what it's doing," and added: "The state doesn't have a budget. Some people don't get welfare."

Witness Charges

A Cover-Up in Collor Scandal

Compiled by Our Staff From Dispatches

BRASILIA — The latest witness in a scandal threatening President Fernando Collor de Mello's administration told Congress on Friday that a former aide had plotted a cover-up to protect the president from charges of corruption.

Sandra Fernandes de Oliveira, who worked as a secretary at a São Paulo office where she said the cover-up was fabricated, accused a former Collor chief of staff, Claudio Vieira.

He has been struggling since May to fend off corruption charges stemming from his ties to a private businessman, Paulo César Farias, who served as treasurer of his 1989 campaign. (Reuters, WFP)

INTERNATIONAL **Herald Tribune**

Published with The New York Times and The Washington Post

Get Tough in Cambodia

Having pressed Saddam Hussein to an honorable draw, the UN Security Council now urgently needs to turn its attention to a parallel challenge. For weeks the Khmer Rouge has been openly defying key provisions of the UN-sponsored Cambodia peace agreement, chiefly by refusing to disarm its troops and by preventing UN monitors from entering areas it controls.

acceleration of the international arms race. Any real chance for a peace dividend bringing fiscal relief at home and funds for development abroad would slip away.

What Honecker Deserves

Erch Honecker, now returned against his will to a reunited Germany, surely deserves to be tried for past crimes against his own people. As East Germany's leader from 1971 to 1989, he gave guards shoot-to-kill orders on the Berlin Wall, whose construction he had supervised as a younger man.

that the proceedings will not degenerate into the kind of show trial that routinely occurred in Soviet satellites.

Worst Bill of the Year

In the names of fiscal responsibility, urban aid and economic growth, the Senate Finance Committee has produced what could be the worst bill of the year. This is a tax bill whose real effect would be to reduce the ability of the government to manage the economy or to aid the cities; it would do this by adding billions of unacknowledged dollars to the U.S. deficit, largely in the form of benefits to the better-off.

ed to expire. Again, current liability would be unchanged. Meanwhile, some of the larger cuts in the bill were constructed so that their full effects would not show up until after the five-year accounting period; the costs are masked.

Other Comment

Justice for Honecker?
If Erich Honecker had looked out of the car window as he was being driven into Moabit Prison, he would have seen a banner that read: "The dead accuse you." This sentence reflects a hope that his trial will result in justice. But it is not the last judgment that will be held in Berlin, simply a criminal court, tied to trial regulations and subject to human and legal limits.

can deal with the killings of people but not with the theft of human lives; no clause covers that. Mr. Honecker, his comrades and predecessors destroyed the lives of hundreds of thousands of people.

A Firm Hand With Iraq — and Clear Eyes

By David A. Kay

LONDON — The compromise that allowed a select group of UN nuclear inspectors to enter the Iraqi Agriculture Ministry has been paraded in Washington and Baghdad as a victory for the respective governments. In the normal conduct of diplomacy, one would conclude that any agreement that all sides claim as a victory represents the ideal diplomatic solution.

ceded to reach the agreement Sunday on the terms of the nuclear inspections.

tion that there is not a firm hand on the tiller in the secretary-general's office.

Bush Could Walk Away And Keep Our Respect

By A. M. Rosenthal

NEW YORK — Can he win? Should he run? Suddenly these questions about George Bush are part of the conversation of American politicians and journalists.

ance movement, or let Barbara Bush say she is in favor of choice, since it is hard to imagine she is not, or come up with an economic plan that is either.



the Middle East, China and Haiti. At home, his first term has sunk the country in depression — depression of the soul — not sure which will come first, the factory closing slip or the next urban riot.

have one tough race, with so little time left. But it would be interesting to find out how many Republican delegates, guaranteed anonymity, think the Bush-Quayle ticket has a better chance than a ticket of Jack Kemp and, say, Elizabeth Dole or Jeanne Kirkpatrick.

The Senate's Tax-and-Spend Champion: Al Gore

By James D. Davidson

WASHINGTON — Governor Bill Clinton has worked hard to shake the stereotype of the tax-and-spend Democratic presidential nominee. Unfortunately, his running mate, Senator Al Gore, is the kind of legislator who lends truth to the stereotype.

Mr. Gore? Virtually everything. In 1989, Mr. Gore voted against a spending freeze plan proposed by Senator Fritz Hollings, a Democrat, that mandated provisions for cost-of-living adjustments and growth in beneficiaries in Social Security, Medicare and Medicaid programs.

But Mr. Gore's greatly touted support of military spending goes much farther. When the Cold War ended and provided substantial deficit-reduction opportunities, he voted in August 1990 to prevent the closing of unneeded military bases, which could have netted billions of dollars in savings.

voted against the line-item veto six times. Mr. Clinton has used such a tool in Arkansas, saying it "is one of the most powerful weapons we could use in our fight against out-of-control deficit spending."

To Survive Sendero, Peru Needs Help

By Jeremy J. Stone

WASHINGTON — A determined, resilient and Machiavellian terrorist group, Sendero Luminoso, has advanced its revolution against democratized Peru to the point where the international community faces a long-term emergency. This was dramatically confirmed by Sendero's unprecedented bombings in Lima in recent weeks.

otaged electrical network moves from rationing to cutoffs? Peru already has a very sick economy, with government revenues, its major entrepreneurial poised to flee, its impoverished population exhausted, its bureaucrats and army corrupted and its capital city, comprising one-third of the population, easily harassed.

complete collapse at enormous further cost, as did a similar Maoist offshoot of China's Cultural Revolution, Pol Pot's Cambodia.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO
1892: Verdi Stays Home
PESARO — The fates in honor of Rossini are a great success. Under the auspices of Signor Giuseppe Branzoli, there has been published a strange and hitherto unheard-of composition of the master, entitled "Aria di Filippucci." It is an air for a bass voice, written on one single note, the A, with orchestral accompaniment.

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AMERICAN TOPICS

Community Service Before the Diploma

This fall, Maryland will become the first state in the country to require teenagers to do volunteer community service before they can get their high school diplomas. The state board of education decreed that all secondary school pupils do 75 hours of volunteer work before graduation.

A wide variety of activities would fulfill the requirement, from working at nonprofit agencies like soup kitchens or shelters for the homeless, to in-school projects like tutoring.

Opponents of the measure said that although they endorsed the concept of youth service, it seemed incongruous to make volunteer work compulsory. And they contend that the requirement would be cumbersome and expensive to administer.

"Communities are breaking down," said Sturla Jewell-Kelly, executive director of the National Community Education Association in Arlington, Virginia. "People need to feel responsible for their community, to care about the city and the streets."

Short Takes

According to census figures, marketing surveys and opinion polls compiled by The New York Times, the typical American — based strictly on statistics — is a white woman, 32.7 years old, married and a mother. She is Protestant, although she did not go to church last week. She is a high school graduate, contributes to an annual family income of \$35,225 in 1989 of which 14 percent, or \$4,932, goes for medical bills. Her family owns a mortgaged three-bedroom house in the suburbs that is heated with natural gas. The house has two televisions, two or more television sets and a video cassette recorder, but no firearms. She drives by herself to her clerical job with a manufacturing company, is a moderate Democrat, does not smoke, reads a newspaper every day and watches television 28 hours and 13 minutes a week. She drinks beer moderately and hates liver.

"Official" has become a favorite word for advertisers. The New York Times reports. Borden's calls its ice cream "the official sponsor of summer." Holiday Inn styles itself "the official hotel for family fun" and Coca-Cola Classic asserts itself to be "the official soft drink of summer." The word seems to have been inspired by the outpouring of official sponsorships for the Olympic Games. "It's designed to promote fun," said a Holiday Inn spokesman.

After earthquakes struck Southern California in late June, one man whose mountain retreat was badly damaged ran this house-for-sale ad in a local newspaper, according to the Los Angeles Times: "House split-level throughout. Newly acquired view. Two fireplaces (one down). Fenced yard (mostly). New detached carport. Easy 4-wheeled drive access. Rock garden (designed by Mother Nature).

Arthur Higbee

Terror Tactics of a Lost Generation Sink Black Townships

By Bill Keller
New York Times Service

SEBOKENG, South Africa

Dr. Josiah Musundwa practices family medicine in a sector of this black township popularly known as Beirut. These days he finds the name alarmingly apt.

It is not just the teenage revolutionary poseurs who rule the neighborhoods, hijacking and burning cars, digging anti-tank trenches, turning away ambulances and terrorizing local residents.

It is not just the mountain of uncollected garbage that festers outside his waiting room, or the broken sewer pipes that spew rivers of human filth into the streets because the authorities refuse to send in repair crews.

Worse than that, the doctor said, is the sense, new in the last few months, that this black township and others in the industrial heartland called the Vaal Triangle are deteriorating into a state near anarchy.

"It's almost a free-for-all now," the doctor said, between examinations of the few patients willing to brave the streets. "You don't know whether it's political or the thugs or whatever. It's almost as if an element of insanity where you find all the basic structures in the community are collapsing.

"You even ask yourself, are we mad to be surviving in an area like this one?"

One recent morning, township residents stared mutely at a cavalcade of yellow armored transports, part of a contingent of 3,000 police men and soldiers ordered into Sebokeng and other black townships in what the law and order minister, Hanrus Krige, called a "peace offensive" aimed at quelling violence and restoring basic services.

The settlement seems to be of two minds about the security



Supporters of the African National Congress demonstrating in Johannesburg on Friday. The government announced that a dozen United Nations observers would be in South Africa on Monday to monitor a two-day general strike called by the ANC and its allies.

forces: the majority who regard them with suspicion, and assume their arrival heralds fresh conflict, and the rest who regard them with secret, guarded relief, but know the violence will resume as soon as they are called away to other crises.

In an alternative approach to the deterioration of order here, white authorities and black civic leaders agreed this week to send a task force of local residents and "low-profile" police officers with sanitation workers in an effort to get sewers repaired before a threatened outbreak of cholera.

Sanitation workers say crews have been stoned and vehicles burned in recent months.

The forum of black and white leaders also agreed to study creating mediation teams involving the Red Cross for deployment in Sebokeng and three other area townships.

But some participants questioned whether the black leaders had any better hope of stabilizing the township disorder than the police do.

This time the cause of the chaos, which residents and officials say is the worst to hit the Vaal since 1984, is not the perennial eruption of black protest, or the more recent rivalry among black political factions. It is, many believe, the result of a kind of wild mimicry of a lost generation raised to adolescence without prospects or discipline.

"There is a serious concern, even if one reached an agreement with the parents, whether the kids will listen to them," said S. Nigel Mandy, an urban planner retained by the Transvaal provincial administration, which subsidizes services to black townships. "We're talking today about a crisis of unmanageability."

Black political leaders here, who are considerably more militant than national leaders such as Nelson Mandela, the African National Congress president, insist that white authorities have exaggerated the disorder to excuse their own chronic neglect of the black neighborhoods and to justify a heavier police presence.

The townships of the Vaal, a blue-collar region of steel mills and heavy manufacturing, have a long history of unrest. In 1984 Sebokeng, which with a population estimated at 350,000 is the largest Vaal township, and three other settlements began a boycott of rent and utility payments that continued for seven years.

Then last year fighting broke out here between backers of the ANC and followers of the more conservative Inkatha Freedom Party. The killing of 38 mourners at an ANC funeral vigil in Sebokeng was the most savage event in months of deadly attrition.

Residents say things took a wrenching turn for the worse last month, after a massacre in nearby Boipatong township. Local youths took to the streets in a frenzied defense that soon degenerated into opportunistic violence.

Leaders of the Sebokeng branch of the ANC and its ally, the Communist Party, insist that the street barricades and teenage "defense units" represent not anarchy but a precaution against assassins from rival political organizations.

Local residents, however, are not so sure. They refer to their self-appointed defenders as "contostis," (a wry combination of "comrade," the township badge of militancy, and "totsi," the township slang for thugs) who do not take their cues from older, moderate black leaders or anyone else.

In the long term, the government and black leaders agree that the only hope for making such townships livable is to merge them into neighboring white municipalities, which have the tax base to help support better services.

Somali Cycle: Aid Fuels Fighting, More Starvation

By Jane Perlez
New York Times Service

LONDON — U.S. experts on disaster relief who have just visited Mogadishu, Somalia, say that emergency airlifts proposed by the United Nations would not solve the problem of getting food to tens of thousands of starving people.

The director of the U.S. Office of Foreign Disaster Assistance, James R. Kunder, said after a one-day visit that fighting in the capital was the major barrier to helping the starving.

A greater effort must be made, he said, to win agreement between the warring clans in Mogadishu to allow food already in the country to be handed out.

Mr. Kunder's remarks were made at a news conference in Nairobi and were made available in London by news agencies.

In telephone interviews, members of Mr. Kunder's team said that they concluded the fighting was mostly over food and that hasty airlifts would only intensify the fighting, while the starving would still not get food.

Earlier this week, the United Nations Security Council approved an emergency airlift of food to Somalia, a mostly desert country of 4.5 million to 6 million people on the Horn of Africa. Tens of thousands have died from the combined effects of war and drought in the last few months.

The crisis in Somalia attracted sudden attention in Washington and Europe after Secretary-General Butros Butros Ghali of the United Nations charged last Friday that the West had a fixation on the "rich man's war" in the Balkans but overlooked starvation in Somalia.

A special task force on Somalia was

formed at the State Department this week under the leadership of Undersecretary of State Lawrence S. Eagleburger, officials said. The task force is to decide what measures to take after hearing from Mr. Kunder, who is returning to Washington on Friday.

Because of the neglect of Somalia so far, officials said, there is the temptation to mount airlifts as a way of giving an appearance of doing something even though they may not achieve much.

Mr. Kunder, the most senior U.S. official to visit Mogadishu since the outbreak of civil war there 18 months ago, said, "People are dying in the thousands daily because aid workers cannot move relief food."

"It is appalling that there is food at the Mogadishu port and at a store nearby but it cannot reach millions of starving people a few kilometers away because of the insecurity," he said.

Mr. Kunder said the United Nations needed to press the two competing warlords of Mogadishu, Mohammed Farrah Aidid and Ali Mahdi Mohammed, to ensure that there was no further shelling of commercial ships coming into the port.

"It appears Mohammed Farrah Aidid and Ali Mahdi Mohammed are unwilling to control security in Mogadishu and yet they can control the fighting inside Somalia," Mr. Kunder said.

The team members said in telephone interviews that ways had to be found to flood Somalia with food so the incentive for fighting would be reduced.

They said food should be trucked over the border from Kenya and left at staging posts in southern Somalia so people could pick it up there rather than having to struggle to Baidoa and other provincial centers, or moving across the border into Kenya as refugees.

China Raises Tone Against Taiwan

Compiled by Our Staff From Dispatches

BEIJING — China accused Taiwan on Friday of pursuing "dollar diplomacy" and confirmed the suspension of diplomatic links with Niger in punishment for having recognized Taipei.

Ending a six-week saga during which Niger switched recognition three times, a Chinese Foreign Ministry spokesman said:

"The transitional government of Niger has obstinately established so-called diplomatic relations with Taiwan. The Chinese government has lodged a strong protest with the Niger government and declared suspension of its diplomatic relations."

In a clear sign of Chinese anger at losing its latest diplomatic competition with Taiwan, the Foreign Ministry also accused the Taipei government of acting "against the interests of the Chinese nation" by seeking new friends.

"Over a period of time, the Taiwan authorities, in disregard of the overall interests of the Chinese

people, have pursued dollar diplomacy hither and thither around the world in an attempt to create two Chinas through dual recognition. Such an act has met with opposition from the Chinese people on the two sides of the Taiwan Straits as it runs counter to the fundamental interests of the Chinese nation, and it is doomed to failure," the statement read.

Taiwan has sought to use its economic strength to win new friends, particularly among Third World nations in need of aid.

Desperate for foreign financial assistance, Niger wavered between Beijing and Taipei for more than a month before finally declaring in favor of Taiwan last week.

For Niger, the stakes are a hard \$50 million in Taiwan aid versus vaguer Chinese offers of an interest-free loan. China said Friday that it was suspending diplomatic links and all bilateral agreements with Niger.

(Reuters, AFP)



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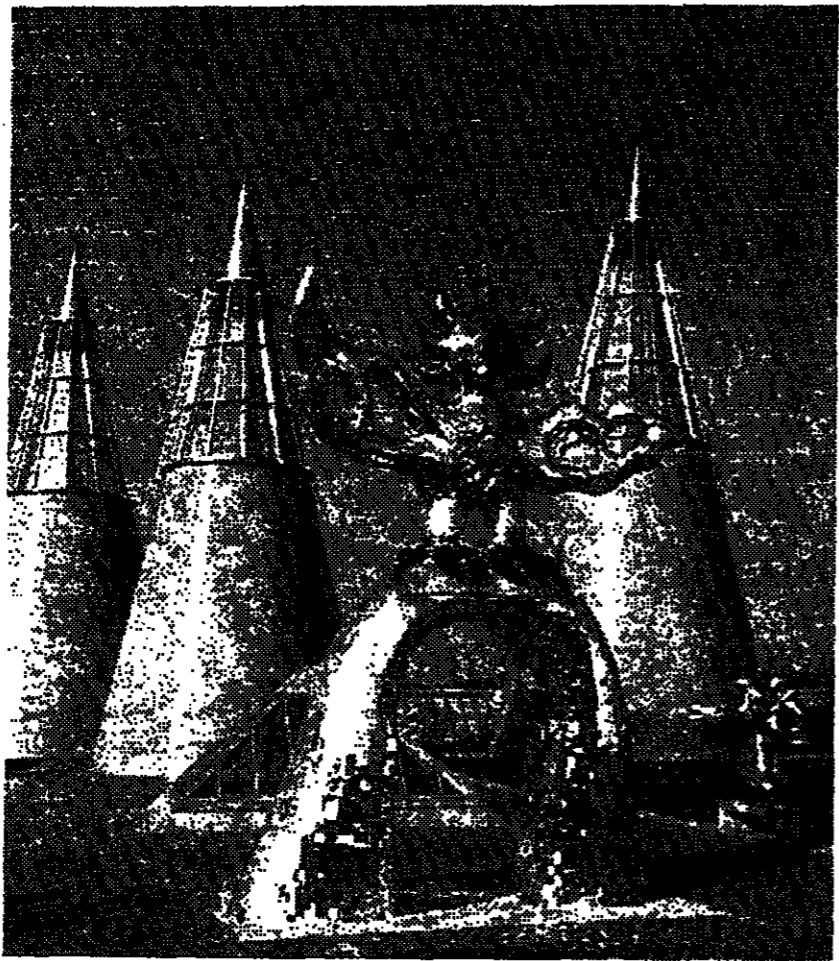
ART

Saturday-Sunday, August 1-2, 1992 Page 6

Putting On the Ritz in Bonn

By David Galloway

BONN — The brightly enameled signs pointing to this sometimes-capital's "museum mile" are only the first and most obvious of the recurrent ironies...



A group of Niki de Saint-Phalle sculptures in Bonn retrospective.

Bonn's newest cultural attractions, a handsome pair of art museums joined by a courtyard and outdoor cafe, were initially conceived as a corrective to the capital's provincial image.

at moments, the confrontations of artists and periods are provocative, at others they seem merely puerile. Juxtaposing cabaret-like structures in awning material by Daniel Buren with Matisse's view of a Tahitian harbor...

VIRTUALLY every majorism, movement and counter-movement is on view here, from a Kandinsky abstraction to a Warhol "Brillo" box, from Monet's shimmering water lilies to a stainless-steel bunny by Jeff Koons.

The patient viewer will sift and rearrange the show in his own mind; for this subjective exercise, there are more than sufficient provocations, discoveries and seldom-seen masterpieces.

With a simple square, a circle and a cross, the Russian Suprematist demonstrated a reductionist, spiritualized doctrine that foreshadowed much of the art of our time.

In the process, one may wonder at the exaggerated presence of the Lithuanian abstractionist Mikalojus Konstantinas Ciurlionis and the absence of such seminal figures as Max Beckmann, Mark Rothko, Willem de Kooning and Francis Bacon.

Two other exhibitions — a Niki de Saint-Phalle retrospective and a high-tech view of "Global Change" — round out Bonn's summer extravaganza, and each is problematical in its own right.

With laws, fountains and granite walkways, the sculpture garden is also directly accessible from the museum's forecourt, via a steep, narrow staircase that seems positively phantasmic.

RELIGIOUS SERVICES

- AMSTERDAM: CROSSROADS INTERNATIONAL CHURCH... BUCHAREST: INTERNATIONAL BAPTIST CHURCH... DUISBURG: CHRIST CHURCH (Anglican)... FRANKFURT: CHRIST THE KING... MADRID: COMMUNITY CHURCH... MUNICH: INTERNATIONAL COMMUNITY CHURCH... PARIS AND SUBURBS: THE AMERICAN CATHEDRAL... TOKYO: ST. PAUL INTERNATIONAL LUTHERAN CHURCH... EUROPEAN BAPTIST CONVENTION

Battle of the Auction Houses How Christie's and Sotheby's Compete for Sales

LONDON — Fragile, and yet incredibly resistant is the diagnosis that emerges from the end-of-season figures just released by the two leading auction houses.

SOURN MELIKIAN

15.6 percent for Sotheby's and 8 percent for Christie's. Worldwide sales in all of Sotheby's locations added up to \$1.14 billion. Christie's figure is \$1.08 billion.



One of a pair of Louis XVI Boule marquetry commodes that sold for \$1.7 million.

Adjusting to that new situation and de-escalating from the totally artificial level set between 1988 and the summer of 1990 has been an ongoing process for the last two years. It is not an easy one.

The furious competition to get goods has done much to destabilize the market.

supposed to be doing well versus Impressionist and Modern art. Christie's congratulates itself on its Old Master sales, "up 23 percent."

When it came to the no less "traditional" field of "European sculpture and Works of Art," i.e. objets d'art from the Middle Ages to the Baroque age, the record was worse.

It would be wrong to think that the success of these single-owner sales was primarily linked to names. Quality and beauty were the main considerations.

COLLECTOR'S GUIDE

- DUBLIN: POLO I... PARIS 15th: LE WESTERN... PARIS 1st: CARR'S... PARIS 6th: LE PETIT ZINC - LE MUNICHE... PARIS 7th: CHEZ FRED... PARIS 7th: DA MEO PATACCA... PARIS 7th: LA PETITE CHAISE... PARIS 7th: THOMIEUX... PARIS 7th: YUGARAJ... PARIS 7th: LA PETITE CHAISE... PARIS 7th: THOMIEUX... PARIS 7th: YUGARAJ... PARIS 7th: LA PETITE CHAISE... PARIS 7th: THOMIEUX... PARIS 7th: YUGARAJ

TRIB INDEX 92.6

Comic Scene Gets Walk a Tightrope French Treaty Vote

Contrary to what might be understood by implication from the Christie's catalogue entries mentioning the inclusion of other drawings in the traveling exhibitions of the Woodner collections which started in the William H. Schab Gallery...

The point of my article was that, in the difficult terrain of Old Master drawings, labels frequently swing from one generation to the next and sometimes at much shorter notice.

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كندا من الامم المتحدة

BUSINESS

Realignment Fears Hit the Pound

Compiled by Our Staff From Dispatches LONDON — The pound flashed a warning signal to the British government on Friday as it slid into the danger zone in the European Monetary System's exchange-rate mechanism.

Clifford Trial Set for October

WASHINGTON — Clark M. Clifford and his law partner Robert Altman pleaded innocent Friday to U.S. criminal charges in the Bank of Credit & Commerce International scandal and will go on trial Oct. 26.

Franklin Agrees To Buy Templeton

SAN MATEO, California — Franklin Resources Inc. has agreed to buy Templeton, Galbraith & Hansberger Ltd., parent of John M. Templeton's mutual fund group, in a deal valued at \$913 million, the companies said Friday.

The proposed merger, which is expected to be completed in November, would create the largest publicly traded, independent mutual fund company in the United States, with combined assets of about \$87.8 billion, they said.

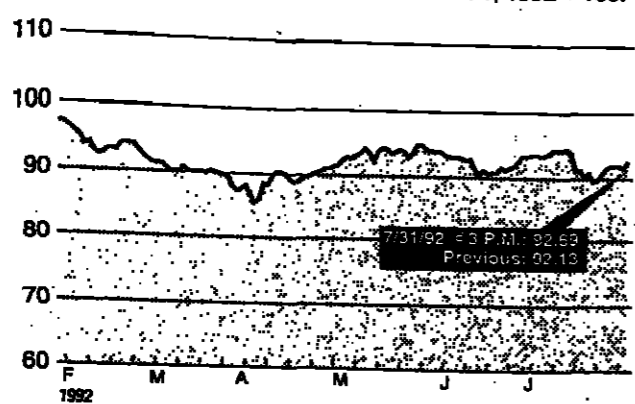
Italy Sets Target of \$38 Billion in Privatizations

ROME — Italy plans to raise 42 trillion lire (\$3.8 billion) by selling real estate and corporate assets between 1993 and 1995, the government said Friday.

The disposal, announced as part of a three-year economic program, would be in addition to 7.5 trillion lire to be sold this year. The program aims to cut the Italian deficit in 1993 by 83 trillion lire, according to Franco Reviglio, the budget minister.

THE TRIB INDEX: 92.69

International Herald Tribune World Stock Index of 230 internationally investible stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland.

Table with 3 columns: Asia/Pacific, Europe, N. America. Rows include P.M., Prev., and % change for various indices.

Table with 3 columns: Energy, Utilities, Finance, Services. Rows include P.M., Prev., and % change for various industrial sectors.

ECONOMIC SCENE

Markets Walk a Tightrope Until French Treaty Vote

PARIS — Analysts agree that on Sept. 21, European financial markets will move either sharply up or sharply down. On the previous day, a Sunday, the French will have voted in a referendum on whether to ratify the Maastricht treaty on a closer European Union.

Until then, the "will-they-or-won't-they" question will keep investors on a roller-coaster for seven weeks.

Public opinion polls suggest the French will vote in favor of the treaty by a narrow margin.

If so, stocks and bonds will rally with relief that the electorate has not eclipsed the French leadership's vision of a European Community with one currency.

But what if the French electorate follows the Danes and says "No"? That thought has already cost the Paris Bourse a hefty 7.5 percent of its value over the past two weeks, including 1.57 percent on Friday.

He believes the French stock market's CAC-40 blue-chip index could fall as much as 10 percent below current levels if a negative vote forces the Bank of France to jack up interest rates in order to stem a run on the franc.

Even rumors of opinion polls on the referendum have kept markets on edge for weeks. In fact, there have been none since mid-July, so dealers will be watching Wednesday for what is probably the last sampling until after the traditional August holiday season.

Foreign investors also fear that a "No" vote might lead French leaders to amend their present policy of a strong franc. Keeping the franc pegged to the Deutsche mark has meant keeping up interest rates in line with Germany, despite the fact that French inflation is lower than Germany's, state spending is under better control, the trade account has shifted dramatically into the black and unemployment is at record levels.

But like many economists, Philippe Brossard, of Credit Lyonnais, dismissed any possibility that a "No" vote would lead to a change in the French economy and no change in economic policy, no change in the strong franc, even if there's a new government, Mr. Brossard said. A general election is due by next spring.

New U.S. Data Paint Familiar Sluggish Picture

NEW YORK — A surge in new orders to factories in June was reported Friday by the government, but this and other, less ebullient statistics did little to dispel the prevailing view that the economic recovery is losing momentum.

After dropping in May by 0.9 percent, the Commerce Department said factory orders rose 2.3 percent last month.

It was the largest rise since July 1991, a month that marked a high point in the U.S. economy last year before a loss of confidence about jobs and declining consumer spending dragged the economy down again.

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Group Named to Start Hong Kong's Airport

HONG KONG — An international consortium has been selected for a \$1.2 billion contract to carry out site preparation work for a controversial new multibillion-dollar airport, officials announced Friday.

They said the Airport Planning Authority's consortium consisted of Nishimatsu Construction Co. of Japan, Costain Civil Engineering Ltd. of Britain, Morrison Knudsen Corp. of the United States, China Harbour Engineering Co. of China, Ballast Nedam BV of the Netherlands and Jan De Nul NV of Belgium.

A statement by the Provisional Airport Authority of Hong Kong said the consortium had been told that the contract would not be awarded until funds had been approved by the territory's legislature.

The consortium's bid was the lowest of the final tenders and well within the budget for the contract, which calls for preparation work on the Chek Lap Kok site on an outlying island.

The new airport, to cost \$5.97 billion, will be four times larger than the existing airport and roughly two-thirds the size of New York's John F. Kennedy airport. It is scheduled for completion in 1997, the year China takes over Hong Kong.

Since Britain and China signed a memorandum of understanding last September to build the airport, China has been quarreling with Hong Kong over the colonial gov-

Airline Travel Rises 21% But Profits Still Pressured

GENEVA — International air passenger traffic rose 21 percent in the first half and cargo traffic was up 6 percent, the International Air Traffic Association said Friday, but it called the gains disappointing and unprofitable.

The IATA director general, Gunter Eser, said the results were less than satisfactory because traffic in the first half of 1991 was depressed by the Gulf War. Passenger traffic was up only 8 percent from the first half of 1990, while cargo traffic was up 4 percent.

An IATA spokesman said airlines were enticing passengers back with cheaper fares and other promotions, but this was not helping profits. "It's been slow, profitless growth," he said.

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CURRENCY & INTEREST RATES

Table with columns for Currency, Rate, and Interest Rates. Includes sections for Eurocurrency Deposits, Key Money Rates, and Forward Rates.

Table with columns for Country/Currency, 12 months, 6 months, and 3 months. Includes sections for Eurocurrency Deposits, Key Money Rates, and Forward Rates.

Schlumberger advertisement with text: "The undersigned announces that from 12 August 1992 at KPM-Associates N.V., Spuiboulevard 172, Amsterdam, the Netherlands, 75 of the Certificates Schlumberger Limited repr. 5 shares of common stock of US\$ 0.01 per share will be payable with US\$ 48.00 net per Certificate repr. 100 shares (div. per share US\$ 0.20 per share)."

The U.S. election Civil war in Yugoslavia The breakup of the Soviet empire Partition in Czechoslovakia The global recession. These events affect all our lives. Shouldn't you be following them daily in the IHT? Subscribe 46% and save up to 46% off the newsstand price.

Vertical advertisement on the left edge of the page, partially obscured, mentioning "Collector's Club" and "Robert".

MARKET DIARY

DATA: Sluggish Growth Picture

(Continued from first finance page) managers index for July rose to 59.2 percent from 55.7. But order backlogs continued to decline and so did employment...

Advances topped declines by an 8-7 margin on the New York Stock Exchange. Big Board volume slipped to 174.4 million shares from 193.3 million on Thursday.

Some traders said they were encouraged by Friday's economic data. "People have been too negative about the economy," said Richard Urnch...

While consumers remain reluctant to spend, the manufacturing segment is showing gains, he said, pointing to Friday's Chicago purchasing managers report.

Sluggish economic growth, combined with minimal inflation and low long-term interest rates, will boost stocks, Mr. Urnch said.

National Medical Enterprises was the most active issue on the Big Board, falling 1 1/2 to 14 1/2. Eight insurers filed suit Thursday against the company...

Baker Hughes fell 3/4 to 2 1/2. The company said it would sell 7.6 million common shares through Goldman Sachs in order to back 8.3 million of its shares held by a subsidiary of Borg-Warner.

Deal Computer led the over-the-counter actives, up 2 1/2 to 3 1/2, after being added to Goldman Sachs' recommended list.

Others disagreed. Jeremy Morse, chairman of Lloyds Bank PLC, said Friday that the pain inflicted by the exchange-rate mechanism would have to be endured to reach the goals of the government...

"We are suffering the same pain that other countries did years ago," Mr. Morse said. "A general realignment isn't very likely to be on."

In late trading in London, the pound was at 2.8436 DM, down from 2.8443 DM on Thursday. Earlier in the day, it had fallen as low as 2.8350 DM, but it rebounded as calls for the currency's devaluation were seen as "achieving nothing."

The pound finished at \$1.9245, up from \$1.9161. For the British government, which has staked its credibility on meeting its obligations in the currency grid, calls for a realignment come at a tricky time.

A gloomy industrial survey by the CBI published on Tuesday showed orders and output remained under pressure, and there was no sign of where economic recovery would come from.

"Economic reports were mildly positive, but the overall U.S. economic situation is still pretty bleak," said Carl Amendola, trader at Boyerische Hypothekbank and Wechsel-Bank in New York.

At the close in New York, the dollar was trading at 1.4745 DM, down slightly from 1.4768 DM Thursday and at 127.10 yen, down from 127.20 yen on Thursday.

Against the Swiss franc, it was unchanged at 1.3160 francs, and it slid to 4.9800 French francs from 4.9845 francs. The pound rose to \$1.9275 from \$1.9265.

Earlier in London, the dollar fell to 1.4770 DM from 1.4825 DM and to 127.28 yen from 127.60.

(Bloomberg, Reuters, AFX)

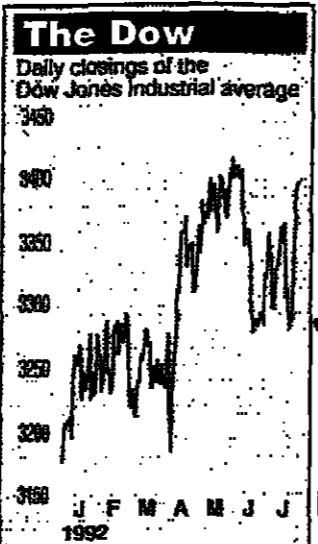


Table with columns: Vol, High, Low, Last, Chg. Lists various NYSE Most Actives including NME, PFI, and others.

Table with columns: Vol, High, Low, Last, Chg. Lists various AMEX Most Actives including DOW, PFI, and others.

Table with columns: Vol, High, Low, Last, Chg. Lists various NASDAQ Most Actives including AMER, DOW, and others.

Table with columns: Vol, High, Low, Last, Chg. Lists various NYSE Diary items including AMER, DOW, and others.

Table with columns: Vol, High, Low, Last, Chg. Lists various NASDAQ Diary items including AMER, DOW, and others.

Table titled 'Dow Jones Averages' showing indices for Industrials, Chemicals, Utilities, and others.

Table titled 'Standard & Poor's Indexes' showing indices for Industrials, Chemicals, Utilities, and others.

Table titled 'NYSE Most Actives' showing a list of active stocks with their prices and changes.

Table titled 'AMEX Most Actives' showing a list of active stocks with their prices and changes.

Table titled 'NYSE Diary' showing a list of active stocks with their prices and changes.

Table titled 'NASDAQ Diary' showing a list of active stocks with their prices and changes.

Table titled 'S&P 100 Index Options' showing various option contracts and their prices.

Table titled 'EUROPEAN FUTURES' showing futures contracts for various commodities like SUGAR, COCA, and others.

Table titled 'Metals' showing futures contracts for various metals like ALUMINUM, COPPER, and others.

Table titled '3-MONTH STERLING (LIFFE)' showing futures contracts for 3-month sterling.

Table titled '3-MONTH EURO DOLLAR (LIFFE)' showing futures contracts for 3-month Euro dollar.

Table titled '3-MONTH EURO MARK (LIFFE)' showing futures contracts for 3-month Euro mark.

Table titled 'GERMAN GOVERNMENT BOND (LIFFE)' showing futures contracts for German government bonds.

Table titled 'Stock Indexes' showing various stock indices like FTSE 100, S&P 500, and others.

Table titled 'Dividends' showing dividend information for various companies.

Table titled 'STOCK SPLIT' showing information about stock splits for various companies.

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U.S. / AT THE CL

Paramount to Buy 4 Parks NEW YORK (UPI) — Paramount Communications Inc. on Friday it had entered the theme park business by moving to 1 amusement parks and a 20 percent stake in a fifth for \$400 million.

McDonnell Earnings Disappoint ST. LOUIS (UPI) — McDonnell Douglas Corp., citing protracted commercial and military jet programs, reported Friday second-quarter earnings of \$38 million, off 53 percent from earnings of \$77 million second quarter of 1991.

Carriers Follow Continental Offer CHICAGO (Bloomberg) — United Airlines, USAir and Air America said they would match a new coupon offer by Continental Airlines in markets where they compete, except Florida.

Arthur Andersen Sued Over S&Ls WASHINGTON (Bloomberg) — The Resolution Trust Corp. filed a \$400 million civil lawsuit Friday against Arthur Andersen & Co. nation's largest accounting firm for alleged negligence in auditing failed Benjamin Franklin Savings Association.

Aetna Shares Fall on Portfolio News NEW YORK (Reuters) — Shares in Aetna Life & Casualty Co. fell in heavy trading Friday after the company said its mortgage I portfolio had deteriorated, analysts said.

For the Record Shell Oil Co. reported second-quarter earnings of \$183 million compared with a loss of \$68 million for the same period last year.

To Our Readers Paris sugar prices are not available for this edition due to transmission problems at the source.

U.S. FUTURES

Table titled 'Grains' showing futures contracts for WHEAT, CORN, and SOYBEANS.

Table titled 'Metals' showing futures contracts for various metals like COPPER, ALUMINUM, and others.

Table titled 'Livestock' showing futures contracts for various livestock products.

Table titled 'Financial' showing futures contracts for various financial instruments like TREASURY and BILLS.

Table titled 'Stock Indexes' showing various stock indices and their values.

Table titled 'Commodity Indexes' showing various commodity indices and their values.

Mabon Equities Chief Quits

NEW YORK — Mabon Securities said Friday that Edward Shoptorn, its managing director of institutional equities, had resigned and about 15 percent of the firm's 59-member equity department had been dismissed.

Mabon's equities department has undergone a shakeup since IMI International, a subsidiary of the Italian bank Istituto Mobiliare Italiano, acquired a 51 percent interest in the firm last year.

Earlier in London, the dollar fell to 1.4770 DM from 1.4825 DM and to 127.28 yen from 127.60.

(Bloomberg, Reuters, AFX)

WORLD STOCK MARKETS

Large table showing world stock market data for various cities including Amsterdam, Helsinki, Hong Kong, Brussels, Frankfurt, London, Milan, Singapore, Stockholm, Toronto, Zurich, and others.

Large advertisement for Lloyd's Profit But Revenue S, featuring a large graphic and text.

Advertisement for NASDAQ Friday's Prices.

Large advertisement for NASDAQ, featuring a large graphic and text.

Handwritten text: 'John G. 1.50'

Lloyds Profit Rises But Revenue Slides

Compiled by Our Staff From Dispatches
LONDON — Lloyds Bank PLC on Friday posted an 11 percent rise in pretax profit for the first half and raised its dividend, but a drop in revenue depressed its share price.
 Pretax profit rose to £369 million (\$708 million) from £331 million a year earlier, above analysts' expectations. But revenue fell 6.5 percent to £1.88 billion from £2.01 billion, dragged down by a sharp drop in net interest income. The dividend was set at 5.9 pence, up from 5.4 pence.

The drop in revenue as well as lower operating profit pushed Lloyds' shares down 11 pence on the London Stock Exchange, to 402 pence.
 The worrying thing for Lloyds Bank fans is that expenses have contracted, but revenues contracted even more," said Derek Chambers, a bank analyst at Carr Kitchin & Aitken, who recommended that investors sell the shares. Operating expenses were trimmed 4.6 percent to £1.18 billion.
 Operating profit, excluding debt provisions, fell 4.3 percent to £697 million. Nick Gough, bank analyst at County NatWest, said the results pose major questions about Lloyds' ability to generate pre-provision income in the next two years.

"They've contracted their loan portfolio very aggressively," said Mr. Gough, but "that's having a very bad impact on net interest income and commissions."

Net interest income fell 11 percent, to £1.07 billion, caused by a 9 percent reduction in average interest-earning assets.
 Chairman Jeremy Morse attributed the improvement in pretax profit to a reduction in provisions for larger companies and Third World debt. Provisions for bad and doubtful debts fell to £347 million from £433 million.
 Completion of rescheduling arrangements being discussed with Argentina and Brazil may lead to a further cutback of provisions in the second half, the bank said.

Total provisions for future loan losses were £3.52 billion, or 9.09 percent of total customer lending, compared with 9.68 percent at the end of 1991.
 Chief Executive Brian Pitman said that because of the prospects of slow economic recovery, containing high real interest rates and "slack" loan demand, Lloyds will continue to reduce costs in the second half and improve its loan portfolio.

Analysts said the results showed that Lloyds' bad-debt levels remained high, as the British recession lingers, and as such boded poorly for Britain's other big clearing banks, which will report first-half earnings in the next few days.

(Bloomberg, Reuters)

Czechoslovakia to Split Privatizations

Compiled by Our Staff From Dispatches
PRAGUE — As Czechoslovakia goes, so goes its privatization program. The Czech and Slovak republics plan to split the second phase of the plan, mirroring the expected end of their political federation, with citizens of each to be restricted to investing in former state-owned companies in their own lands.
 Czechs and Slovaks could invest in any company in the country in the first phase. But in the second phase of the privatization, they will be allowed to invest only in their own republics, the Mlada Fronta daily said.

"We shall initiate legislation to separate the second wave of the voucher privatization," Jiri Skalicky, the Czech regional privatization minister, was quoted as saying by the economic daily Hospodarske Noviny on Friday.
 On Thursday, Mr. Skalicky met with his Slovak counterpart, Lubomir Dolgos, to discuss the program, which enables Czechoslovaks to buy shares for nominal fees.
 National constitutions, yet to be passed, must define citizenship to decide who can acquire property in which republic, Mr. Skalicky said. The current part of the privatization program, now into its second round, will proceed without changing the rules, Mr. Dolgos said.

The five rounds in the first phase provide an auction system in which the most attractive companies are sold first.
 The program initially drew 8.5 million participants. But if big discrepancies arise in the acquisition of property among citizens of the republics, a settlement will have to be made, Mr. Skalicky said.
 So far, the Czech republic has been the more popular among investors. Czechs, who outnumber Slovaks 2 to 1, now hold 2.6 million shares in Slovak companies, while Slovaks have taken 7.5 million shares in Czech industries.

(Reuters, AP)

EC Calls Aid to Industry Massive

Compiled by Our Staff From Dispatches
BRUSSELS — The EC Commission reported Friday that government aid to manufacturing has declined in recent years, but remains massive.
 The executive branch of the European Community said that 36 billion Ecu (\$50 billion) was spent on aid to manufacturing yearly between 1988 and 1991. That compares with 38.8 billion Ecu from 1986 to 1988.
 The huge amounts of aid provided to the Community's more prosperous areas were aggravating the gaps between rich and poor, the commission said.

The EC's four biggest economies — Britain, France, Germany and Italy — provided 79 percent of all public support to manufacturers. However, aid as a percentage of value added was three times as high in Italy as in Britain.
 "Despite the higher state ceilings permitted in poorer, outlying states and regions, budgetary constraints prevent them from matching actual aid levels spent by richer states," the commission said. It said state aid reached 89 billion Ecu annually when agriculture, fisheries, transport and coal were included.

Meanwhile, the commission ruled against proposed German aid to a Chinese shipping company, COSCO, questioning whether the aid should be treated as permissible development assistance to China or as operating aid to the German shipping firm Vulkan AG and Matthias Theisen, whose ships would be built.
 The commission said Friday that COSCO is the fifth-largest container operator in the world and not a company that needs aid in order to contribute to China's development.

The commission also said it would take action to block a British proposal to grant £20 million (\$38 million) to SCA Aylesford and ruled against Spanish plans to give loan guarantees to La Papelera Española.

(Reuters, Bloomberg)

Fokker to Cut F-50 Output For 1992-93

Compiled by Our Staff From Dispatches
AMSTERDAM — Fokker NV said Friday it would cut output of its Fokker-50 propjet in 1992 and 1993 to 58 from 68 because of sluggish worldwide demand.
 Output will stabilize at 26 aircraft a year starting in 1994, as previously planned, Fokker said.

"As worldwide demand for large propjet aircraft continues to be sluggish, most aircraft manufacturers have scaled down production," Fokker said. "Fokker's board of management is also planning to adjust Fokker-50 production to the adverse market conditions."
 Fokker's share price fell 1 guilder to 25 guilders (\$14.94) on the announcement, but rallied to close at 25.80, down 0.40 for the day.
 The company also said that the Brazilian domestic airline Rio-Sul Services Aereos Regionais SA had signed a contract for delivery of two Fokker-50s.

Fokker said Rio-Sul would take delivery of the two planes within the next two weeks.
 Fokker said it had commitments for 176 F-50s, with 162 firm orders and 14 options.

(Reuters, AFP)

Mirror Reveals Irish Group Stake

London — Mirror Group Newspapers PLC, which was among the holdings of the late Robert Maxwell, said the Irish newspaper group, Independent Newspapers Holdings, has a 1.3 percent stake amounting to 5.2 million shares.

Following the announcement, shares were up 2 pence at 71 pence (\$1.36). Mirror Group's share price has risen during the past two weeks on continued speculation that stake-building was taking place.
 The group publishes the Daily and Sunday Mirror. The shares resumed trading at 50 pence on July 17. They had been suspended at 125 pence in December after the death of Mr. Maxwell. Some analysts have valued Mirror Group at up to 75 pence and estimate that a full bid, including pension rights and debt, would be near £1 billion.

Allianz Continues Slide

Compiled by Our Staff From Dispatches
FRANKFURT — Allianz AG Holding tumbled nearly 2 percent on the Frankfurt stock exchange on Friday amid rumors that the German insurer was selling some of its holdings in Deutsche Bank AG to retaliate for a sell recommendation.
 Allianz shares fell 35 Deutsche marks (\$23.65) to close at 1,837 DM on Friday following a drop of 79 DM, or 4 percent, on Thursday when the research arm of Deutsche Bank downgraded its estimate of Allianz's earning potential.

Traders in Frankfurt were unable to confirm rumors that Allianz may have sold Deutsche Bank shares in revenge on Friday. But some dealers said they had heard that Allianz had instructed Dresdner Bank AG to sell Deutsche Bank shares on its behalf. Allianz holds 22.3 percent of Dresdner Bank.

Deutsche Bank shares dipped 11 DM, or 1.6 percent, on Friday to 637 DM.
 An Allianz spokesman denied any knowledge of the rumored sales.

Meanwhile, Commerzbank confirmed Friday that it had also cut back earnings forecasts for Allianz and was now predicting earnings of 38 DM a share in 1992, down from a previous estimate of 43 DM. Deutsche Bank had scaled down its forecast to 28 DM from 45.50 DM.

Allianz, for its part, insisted Friday that its own calculations presented an accurate picture. On Thursday it said its earnings would not be "significantly different" in 1992 than in 1991 when it calculated its earnings per share at 40.85 DM.

(AFX, Reuters)

Hafnia Extends Options

Compiled by Our Staff From Dispatches
COPENHAGEN — Hafnia Holding A/S said Friday that it had extended its purchase options on 288 million kroner (\$50 million) worth of shares in Interbank A/S in a deal obliging Hafnia to find an eventual buyer for the investment bank.
 Hafnia disclosed last month that a senior manager had negotiated, without the knowledge of the board, a deal to buy options on the shares, held by a soccer team. The controversy held up a crucial Hafnia rights issue that the insurer sorely needed to shore up its battered capital base.

The company said Friday that it had agreed to a further extension of the options with Carnegie Kreditinstitut until year-end and with AEN Amro Bank until June 30, 1993. The initial extension expired Thursday.
 In a statement to the Copenhagen Stock Exchange, Hafnia also said that it agreed with the two institutions that the voting rights and the power to make arrangements on the shares, which represent 73 percent of Interbank, had been transferred to Hafnia.

"This means that regardless of the fact that the options have been extended, Hafnia Holding has accepted the task of trying to place the Interbank shares," the company said.

Hafnia also said it had taken over 180,000 shares in Interbank, a Danish investment bank, from a Danish stockbroker, Leif Jensen, raising its stake in Interbank to 12.74 percent.
 The insurer said it has asked its lawyers to issue a writ against Mr. Jensen, who was on the board of the soccer club and allegedly signed the options deal with Jesper Hansen, the former Hafnia senior manager.
 Hafnia has said it expects to lose 35 million to 45 million kroner on the options. The options deal led to the dismissal of a Hafnia deputy general manager and several senior staff.

(AFX, Reuters)

Paris Rules Out CFA Franc Devaluation

Compiled by Our Staff From Dispatches
PARIS — The French government affirmed on Friday its pledge to guarantee the value of the CFA franc following a meeting here between President Francois Mitterrand and the leaders of four countries in the West African CFA franc zone.

"There will be no devaluation," said President Blaise Compaore of Burkina Faso after the meeting at the Elysee Palace with Mr. Mitterrand.

The French foreign minister, Roland Dumas, and the French economics and finance minister, Michel Sapin, also attended.

The French Ministry of Economics and Finance said afterward that the rate of 50 CFA francs to one French franc (20 U.S. cents) would be maintained. "France is naturally maintaining the guarantee it grants by way of the existing monetary cooperation agreements," the ministry said.

(Reuters, AFP, AP)

Investor's Europe

Exchange	Index	Friday Close	Prev. Close	% Change
Frankfurt DAX	FTSE 100 Index	1,815.42	1,828.99	-0.53
Paris CAC 40		1,754.67	1,782.57	-1.57
Amsterdam	CBS Trend	116.20	117.00	-0.68
Brussels	Stock Index	5,683.55	5,684.06	-0.01
Frankfurt	FAZ	636.90	643.02	-0.95
Helsinki	HEX	683.03	685.80	-0.40
London	Financial Times 30	1,803.80	1,810.80	-0.39
London	FTSE 100	2,899.60	2,411.60	-0.50
Madrid	General Index	214.90	215.00	-0.05
Milan	MB	792.00	778.00	+1.80
Paris	CAC 40	1,754.67	1,782.57	-1.57
Stockholm	Attarsvaerden	952.24	951.32	+0.10
Vienna	Stock Index	374.33	376.16	-0.49
Zurich	SBS	619.70	621.50	-0.29

Sources: Reuters, AFP

Very briefly:

- Euro Disney SCA will continue to benefit from a reduced value-added tax rate of 5.5 percent on entry tickets to its theme park. The French Budget Ministry said there was no basis to rumors that a rise in the tax was imminent.
- Britain has ordered an investigation of British Gas PLC and the domestic gas market by Monopolies and Mergers Commission.
- The Kuwait Investment Office will inject 3.5 billion pesetas (\$37 million) in Prima Inmobiliaria SA to help the company meet financing needs, the financial daily Cinco Dias reported.
- Aeroflot, the former Soviet airline, will become a joint stock company with the majority of shares to remain in the hands of the Russian government for three years, Interfax news agency reported.
- Credit Suisse said it was in talks with BBC Brown Boveri AG to acquire Gewerbank Bades, a regional bank with assets of 1.66 billion Swiss francs (\$1.25 billion) at the end of June.
- France said seasonally adjusted retail sales in April rose an estimated 7.9 percent from March and 3.2 percent from the average monthly figure in the three previous months.
- Volvo AB became the defendant of a suit filed by the British Defense Ministry in Stockholm District Court alleging that Volvo appropriated split-back axle technology.

(Reuters, AFP, AFX, Bloomberg)

NASDAQ

Friday's Prices
 NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Stock	Open	High	Low	Close	Change
IBM	150.25	151.75	150.25	151.50	+1.25
MSFT	45.50	46.50	45.50	46.25	+0.75
AMZN	25.00	26.00	25.00	25.75	+0.75
GOOGL	15.00	16.00	15.00	15.75	+0.75
ORCL	35.00	36.00	35.00	35.75	+0.75
INTL	20.00	21.00	20.00	20.75	+0.75
EA	15.00	16.00	15.00	15.75	+0.75
DIS	30.00	31.00	30.00	30.75	+0.75
WAL	25.00	26.00	25.00	25.75	+0.75
TRW	20.00	21.00	20.00	20.75	+0.75
UNP	15.00	16.00	15.00	15.75	+0.75
CVS	10.00	11.00	10.00	10.75	+0.75
WYNN	5.00	6.00	5.00	5.75	+0.75
UNH	8.00	9.00	8.00	8.75	+0.75
MRK	12.00	13.00	12.00	12.75	+0.75
PFE	10.00	11.00	10.00	10.75	+0.75
ABB	8.00	9.00	8.00	8.75	+0.75
MDZ	6.00	7.00	6.00	6.75	+0.75
MRB	4.00	5.00	4.00	4.75	+0.75
MRG	3.00	4.00	3.00	3.75	+0.75
MRN	2.00	3.00	2.00	2.75	+0.75
MRP	1.50	2.00	1.50	1.75	+0.25
MRQ	1.00	1.50	1.00	1.25	+0.25
MRR	0.75	1.00	0.75	0.875	+0.125
MRU	0.50	0.75	0.50	0.625	+0.125
MRV	0.375	0.50	0.375	0.4375	+0.0625
MRW	0.25	0.375	0.25	0.3125	+0.0625
MRY	0.1875	0.25	0.1875	0.234375	+0.046875
MRT	0.125	0.1875	0.125	0.15625	+0.03125
MRS	0.09375	0.125	0.09375	0.1171875	+0.0234375
MRU	0.0625	0.09375	0.0625	0.0765625	+0.0140625
MRV	0.046875	0.0625	0.046875	0.0574375	+0.010625
MRW	0.03125	0.046875	0.03125	0.0390625	+0.0078125
MRY	0.0234375	0.03125	0.0234375	0.029296875	+0.005859375
MRT	0.0171875	0.0234375	0.0171875	0.021953125	+0.0046875
MRS	0.0125	0.0171875	0.0125	0.015625	+0.003125
MRU	0.009375	0.0125	0.009375	0.01171875	+0.00234375
MRV	0.00625	0.009375	0.00625	0.00875	+0.0025
MRW	0.0046875	0.00625	0.0046875	0.0065625	+0.001875
MRY	0.003125	0.0046875	0.003125	0.004375	+0.00125
MRT	0.00234375	0.003125	0.00234375	0.0033203125	+0.0009765625
MRS	0.00171875	0.00234375	0.00171875	0.00251953125	+0.00078125
MRU	0.00125	0.00171875	0.00125	0.001875	+0.000625
MRV	0.0009375	0.00125	0.0009375	0.00140625	+0.00046875
MRW	0.000625	0.0009375	0.000625	0.0009375	+0.0003125
MRY	0.00046875	0.000625	0.00046875	0.0006953125	+0.000234375
MRT	0.0003125	0.00046875	0.0003125	0.00046875	+0.00015625
MRS	0.000234375	0.0003125	0.000234375	0.0003515625	+0.0001171875
MRU	0.000171875	0.000234375	0.000171875	0.000265625	+0.00009375
MRV	0.000125	0.000171875	0.000125	0.0001953125	+0.000078125
MRW	0.00009375	0.000125	0.00009375	0.000140625	+0.00005859375
MRY	0.0000625	0.00009375	0.0000625	0.00009375	+0.00003125
MRT	0.000046875	0.0000625	0.000046875	0.00006953125	+0.0000234375
MRS	0.00003125	0.000046875	0.00003125	0.000051953125	+0.0000171875
MRU	0.0000234375	0.00003125	0.0000234375	0.0000390625	+0.0000125
MRV	0.0000171875	0.0000234375	0.0000171875	0.000029296875	+0.000009375
MRW	0.0000125	0.0000171875	0.0000125	0.000021953125	+0.00000625
MRY	0.000009375	0.0000125	0.000009375	0.00001640625	+0.0000046875
MRT	0.00000625	0.000009375	0.00000625	0.0000123046875	+0.000003125
MRS	0.0000046875	0.00000625	0.0000046875	0.00000923046875	+0.00000234375
MRU	0.000003125	0.0000046875	0.000003125	0.000006953125	+0.00000171875
MRV	0.00000234375	0.000003125	0.00000234375	0.0000051953125	+0.00000125
MRW	0.00000171875	0.00000234375	0.00000171875	0.00000390625	+0.0000009375
MRY	0.00000125	0.00000171875	0.00000125	0.0000029296875	+0.000000625
MRT	0.0000009375	0.00000125	0.0000009375	0.0000021953125	+0.00000046875
MRS	0.000000625	0.0000009375	0.000000625	0.000001640625	+0.0000003125
MRU	0.00000046875	0.000000625	0.00000046875	0.00000123046875	+0.000000234375
MRV	0.0000003125	0.00000046875	0.0000003125	0.000000923046875	+0.000000171875
MRW	0.000000234375	0.0000003125	0.000000234375	0.0000006953125	+0.000000125
MRY	0.000000171875	0.000000234375	0.000000171875	0.00000051953125	+0.00000009375
MRT	0.000000125	0.000000171875	0.000000125	0.000000390625	+0.0000000625
MRS	0.00000009375	0.000000125	0.00000009375	0.00000029296875	+0.000000046875
MRU	0.0000000625	0.00000009375	0.0000000625	0.00000021953125	+0.00000003125
MRV	0.000000046875	0.0000000625	0.000000046875	0.0000001640625	+0.0000000234375
MRW	0.00000003125	0.000000046875	0.00000003125	0.000000123046875	+0.0000000171875
MRY	0.0000000234375	0.00000003125	0.0000000234375	0.000000	

Foreigners Join Bears In Tokyo

Compiled by Our Staff From Dispatches
TOKYO — Foreign investors, reacting to the deepening slide on the Tokyo Stock Exchange, became net sellers of Japanese stocks in June for the first time since last December, the Ministry of Finance reported Friday.

Foreigners sold \$9.326 billion in stocks, compared with purchases of \$7.366 for net sales of \$1.960 billion. In May, they had been net buyers of \$804 million of stocks.

Although foreigners turned net sellers, and the Tokyo market continued to tumble to six-year lows in July, brokers with foreign securities companies here said they are getting inquiries from U.S. pension fund managers seeking to invest in limited baskets of up to 10 blue-chip Japanese issues.

"The argument for foreign investors looking at the Tokyo market is fairly straightforward," one foreign strategist said. "After its big declines, there must be room for strong upside gains in Tokyo, especially on a two-year view."

Stock prices extended their rally to a second day on Friday on short-covering and index-linked arbitrage, but low volume indicated the rebound may not last, dealers said.

The Nikkei index rose 354.68 yen, or 2.3 percent, to 15,910.28, after surging 459.63 on Thursday.

"For the short term, we will have hit a bottom, but we will continue to see some volatility around 16,000," said Tim Hayashida, an analyst at Merrill Lynch.

Sales of stocks by foreign investors have been increasing since last spring, said Motoharu Fujikura of the Finance Ministry's securities bureau. Selling related to arbitrage trading was a factor, he said.

In the April-June quarter, overseas investors were net buyers of \$206 million of stocks, down sharply from purchases of \$3.41 billion in the same quarter of 1991.

Foreign investors also were net sellers of Japanese bonds, by \$839 million in June, after buying a net \$442 million of bonds in May.

Japanese were net buyers of \$224 million of foreign stocks in June, after selling \$479 million in May. Net purchases of foreign bonds rose to \$3.05 billion from \$4.13 billion. (Bloomberg, AFX, UPI)

NIT Seen Expensive
Foreign investors will be able to own stock in Nippon Telegraph & Telephone Corp. beginning Saturday, but analysts said few are likely to buy because the shares are still expensive by most standards, Reuters reported from Tokyo.

"The earnings outlook is not good," said Darrel Whitten, director of research at Prudential Securities. "The share price is 69 times earnings and twice the book value of net assets."

NIT fell 7,000 yen on Friday, to 588,000. It has been one of the market's worst-performing issues, dropping steadily since hitting an April 1987 peak of 3.18 million yen.

BHP Strikes Deal With Elkem

Compiled by Our Staff From Dispatches
MELBOURNE — Broken Hill Pty. said Friday it has signed a letter of intent to cooperate with Elkem A/S of Norway on producing manganese.

Under the deal, BHP will acquire 49 percent of Elkem's two manganese alloy plants in Norway, and Elkem will acquire a 49 percent stake in BHP's subsidiary, Groote Eylandt Mining Co.

The subsidiary will supply Elkem's two Norwegian and one U.S. plant with manganese ore.

The transaction should be carried out without any cash compensation between the parties, Elkem said. A final agreement was expected to be concluded this autumn.

Elkem said the deal met its "strategic goal of

securing long-term deliveries of raw materials and to even out the fluctuations in the group's income," while BHP "secured a long-term market for manganese from the mine on Groote Eylandt."

Elkem is one of the world's leading producers of ferroalloys, which are used in the manufacture of steel. BHP is the world's third-largest producer of manganese ore from its mine on Groote Eylandt, off northern Australia.

Separately, BHP said the Russian government had invited its minerals subsidiary to tender for one of the world's largest undeveloped copper deposits, located in the Chita area of eastern Siberia. BHP said it was studying possible involvement.

(Reuters, AFX, Bloomberg)

Astra Chief Quits Over Summa Debts

REUTERS
JAKARTA — The founder and chairman of PT Astra International, Indonesia's second-largest conglomerate, is stepping down to focus on the debt problems of his family's property and financial services concern, Summa Group, an executive at Astra said Friday.

William Soeryadjaya will sell part of his 75.87 percent share in Astra to bail out Summa. An Astra official said Soeryadjaya was ready to give up at least 30 percent of his stake, and that the sale would not affect the company's business.

There had been concern in the stock market that financial troubles at Summa would spill over into Astra.

The announcement, however, had no immediate impact on Astra's share price, which was unchanged at 11,900 rupiah (\$3.80).

Sumitro Djojohadikusumo, a former government minister and close aide to President Suharto, has been named to replace Mr. Soeryadjaya, who had been chairman at Astra for 35 years.

"He will handle Astra's management as William goes to Summa," the Astra executive said. "This is to make sure that the two companies have nothing to do with each other."

Mr. Sumitro, an economics minister under presidents Sukarno and Suharto, said Thursday night that

he had insisted on complete separation of the management of Astra and Summa. He said he would decide who buys Mr. Soeryadjaya's shares and ruled out the chances of a hostile takeover.

There has been speculation recently that Mr. Soeryadjaya would seek to sell about \$350 million of Astra shares to rescue Summa. At the current stock price, that would require the sale of some 60 million shares, or roughly a quarter of Astra's stock.

Astra's share price has been depressed since shortly after it floated a 12 percent stake on the Jakarta exchange at 14,850 rupiah in 1990; it traded as high as 33,000 immediately after the flotation.

Earnings Gain At San Miguel Trails Sales

REUTERS
MANILA — San Miguel Corp., the food and beer concern that is the biggest company in the Philippines, on Friday reported a 2.6 percent rise in first-half earnings on a 15.2 percent rise in sales.

Vice President Ramon Pascolan said he expected sales to rise 15 to 20 percent for the year, boosted by rising consumer income and demand.

The company posted net income of 1.56 billion pesos (\$62.8 million) in the first half, up from 1.52 billion pesos a year earlier. Sales rose to 28.8 billion in the first half.

Sales of beer, which suffered from the effects of a rise in excise tax, fell about 6 percent in the first half, while sales volumes of soft drinks and liquor rose.

Westpac Moves to Bolster Capital

Compiled by Our Staff From Dispatches
SYDNEY — Westpac Banking Corp., one of Australia's four major commercial banks, said Friday that its capital had fallen sharply because of bad-debt problems, but it predicted provisions for bad debts would be "considerably lower" next year.

The bank disclosed details of its debt problems in a prospectus announcing a long-expected rights issue of 1.215 billion Australian dollars (\$907 million), intended to shore up its capital base.

Westpac said bad-debt provisions should be less than 300 million dollars in the second half of its financial year, which ends Sept. 30.

The bank reported an after-tax loss of 1.67 billion in the first half after writing off 2.65 billion in bad debts, mostly on its worldwide property exposure.

The bank had set aside provisions in the two previous years of 1.05 billion and 1.19 billion dollars.

The prospectus also said that the bank's net capital ratio fell to 8.4 percent on March 31, from 10.4 percent six months earlier. The country's central bank requires local banks to hold capital of at least 8 percent of risk-weighted assets.

The prospectus for the 3-for-10 rights issue did not make a profit forecast but said that the bank expected to be able to keep dividends

at current levels "subject to a reasonable recovery in the Australian and world economies."

The bank has so far paid an interim dividend of 12 cents this year and made a total payout of 27.5 cents in the previous year.

Westpac shares have plummeted nearly 20 percent since May, when it reported the record half-year loss. The share closed Friday at 3.24 dollars, up five cents.

The rights issue was priced at 3 dollars a share.

"We believe we are now adequately and well provisioned," said managing director Frank Conroy. "We have a recovery strategy and it is on track and it is on time."

(Reuters, Bloomberg)

UtiliCorp to Acquire 49% of New Zealand Electric Firm

Compiled by Our Staff From Dispatches
WELLINGTON — Waikato Energy Authority on Friday announced a joint venture with UtiliCorp United Inc. of the United States in the first partial privatization of an electric utility in New Zealand.

Under the terms of the agreement, UtiliCorp will invest 74.6 million New Zealand dollars (\$40.7 million) in the authority's electrical company in return for a 49 percent stake. Waikato,

north of Wellington, includes the country's fourth-largest urban area, Hamilton.

The chairman of the authority, Ian Davidson, said UtiliCorp's investment would strengthen the utility's position in an increasingly competitive marketplace.

UtiliCorp's president and chairman, Richard C. Green Jr., said the company might also expand into New Zealand's gas industry.

He said UtiliCorp, based in Kansas City,

Missouri, also would consider expanding into other, newly deregulated utilities in the Pacific Rim, although it had no current plans to do so.

"If we're successful here in New Zealand, then certainly it would enable us to take another step to other countries," Mr. Green said.

The electricity sector, owned by the central and local governments, is one of the last business sectors in New Zealand to undergo deregulation and privatization, a process begun in 1984.

(Reuters, AFP)

Seoul Sees a Turn in Trade

Compiled by Our Staff From Dispatches
SEOUL — South Korea's current-account deficit widened in June, to \$378 million from \$124 million in May, but the merchandise trade deficit dropped to a low for the year, the Bank of Korea reported Friday.

Meanwhile, the Ministry of Trade said the merchandise trade deficit narrowed to \$4.95 billion in the first half from \$6.29 billion a year ago, with exports growing faster than imports for the first time in four years.

For June, the merchandise deficit was \$35 million, compared with a \$75 million deficit in May and a surplus of \$64 million in June 1991. The deficit in nonmerchandise trade widened to \$390 million in June from \$78 million in May and \$142 million in June 1991.

The June current-account deficit was wider than the gap of \$214 million in June 1991. In the first half, the deficit narrowed to \$4.1 billion from \$5.5 billion a year earlier.

Exports rose 8.4 percent in the first half to \$36.71 billion, while imports increased 3.7 percent to \$41.66 billion. Semiconductors, fabrics, ships, petrochemicals, vehicles and general machinery fared well, but shipments of home electronics, shoes, clothes and industrial electronics fell. (Bloomberg, Reuters)

Investor's Asia

Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong Hang Seng	6500	5,881.13	5,829.83	+0.88
Singapore Straits Times	1600	1,451.84	1,449.02	+0.19
Tokyo Nikkei 225	2200	15,910.28	15,555.60	+2.28
Sydney All Ordinaries	500	1,617.60	1,621.00	-0.21
Kuala Lumpur Composite	500	601.53	598.56	+0.50
Bangkok SET	1300	744.42	739.66	+0.64
Seoul Composite Stock	1500	509.95	508.23	+0.14
Taipei Weighted Price	1600	4,108.52	4,029.53	+1.96
Manila Composite	100	1,499.50	1,495.72	+0.25
Jakarta Stock Index	100	N.A.	817.95	-
New Zealand NZSE-40	100	1,547.57	1,514.17	+2.21
Bombay National Index	100	1,236.28	1,236.76	-0.04

Very briefly:

- Alan Bond was denied a request to be released from jail pending the outcome of his appeal of a two-and-one-half year sentence on a dishonesty conviction; an Australian court reserved judgment on the appeal.
- China plans to launch about 550 projects in Hunan aimed at attracting \$3.1 billion in foreign investment, the China News Service said.
- Fujisanki Communications Group, Japan's largest media organization, said it named Yoshihiko Kobayashi as its new president to succeed Hiroaki Shikama, who resigned after being summarily dismissed as chairman of the group's flagship newspaper, Sankei Shinbun, last week.
- Kirin Brewery Co. said it concluded an agreement with Charles Heidsieck Ltd. of Britain to produce and market Kirin beer in Europe; Kirin said it would be the first Japanese beer to be produced in Europe.
- Shell Shell Sekkyu K.K., 50 percent owned by Royal/Dutch Shell, said parent current profit fell 27 percent in the first half, to 18.66 billion yen (\$146 million), while sales fell 4.3 percent, to 764.84 billion yen.
- Sony Corp. and Texas Instruments Inc. said they were working together to develop a single-chip serial video processor to enhance picture quality; the chip could be used for high-definition TV and multi-media products.
- Hitech Ltd. said it has developed a semiconductor with capacity far larger than any existing integrated circuit; it said it hoped to commercialize the chip in about 10 years.
- Taiwan will lift a 43-year-old ban on gold exports and remove remaining import restrictions on Aug. 1, the Monetary Affairs Bureau said.

NYSE

Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press
(Continued)

12 Month	Div	Yield	PE	High	Low	PA	CHG
100	1.00	4.00	25.00	100.00	95.00	100.00	+5.00
200	2.00	4.00	25.00	200.00	190.00	200.00	+10.00
300	3.00	4.00	25.00	300.00	285.00	300.00	+15.00
400	4.00	4.00	25.00	400.00	380.00	400.00	+20.00
500	5.00	4.00	25.00	500.00	475.00	500.00	+25.00
600	6.00	4.00	25.00	600.00	570.00	600.00	+30.00
700	7.00	4.00	25.00	700.00	665.00	700.00	+35.00
800	8.00	4.00	25.00	800.00	760.00	800.00	+40.00
900	9.00	4.00	25.00	900.00	855.00	900.00	+45.00
1000	10.00	4.00	25.00	1000.00	950.00	1000.00	+50.00

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THE MONEY REPORT

Saturday-Sunday, August 1-2, 1992
Page 12

FIRST COLUMN

Promise Held Back By Reality

THOSE who ever doubted that reality has an irritating habit of lagging behind fantasy would do well to look to the world of finance. Three obvious examples spring to mind.

First up is futures trading. For a long time now the futures have been sounding for the advent of a huge, sophisticated, globally interconnected market in the future. And that's what the GLOBEX system is — global, sophisticated, and late.

The Chicago Mercantile Exchange is understandably making loud noises about the fact that seven currency contracts — German mark, Japanese yen, British pound, Canadian and Australian dollars, Swiss franc, and mark against yen — can now be traded "around-the-world, around-the-clock." That sound part is a little bit tongue in cheek, since GLOBEX operates for twelve hours only — it goes round the clock, all right, but only once. All in all, it's a little difficult to get so excited about something that was supposed to happen months ago. To borrow a market term, the news has already been discounted.

Second up come the banks. The endless debate on the reform of the U.S. banking system is a good example. The long discussion process and the intense lobbying followed by the neutered, compromised bill have left many people with the impression that something significant has happened. Unfortunately, the United States is as far as it ever was from a national system, and the narrow parochialism of the tiny, inefficient local banks still holds the legislators in its thrall.

Just as depressing, in its own way, is the move — so slow as to be barely discernible — toward European monetary union. Nationalism, alias parochialism in a smart suit, is the dominating factor here. Although monetary union has been agreed on and is scheduled before the end of the decade, national interests remain powerful enough to make full monetary union with no drawbacks by individual nations seem highly unlikely.

If you like your fantasies, stay away from finance.

M.B.

Rising Bond Yields Shift Risk Onto European Stocks

By William Ellington

JUST what moves a market? The Japanese government may not be able to find the answer, but it must be asking the question, as this week's cut in its discount rate — an easing of the cost of money that paralleled the U.S. move in the middle of last month — produced a 1 percent fall in the Nikkei stock average. The feeling in the market was that the rate cut was too little, too late, and the index dropped back to a six-year low, before recovering in this trade toward the end of the week, to finish Friday on 15,910.88.

The traditional wisdom that lower short-term interest rates automatically mean a rising stock market looks unconvincing in the Japanese case. But that is only one of the measures analysts use as an indicator. There is, for example, a long-known — but still not widely accepted — theory of financial relativity that is gradually moving to the forefront of market thinking.

The nub of the theory is that bond yields are more important than short-term rates, and about as important as dividend yields, in deciding whether stock markets are undervalued or overvalued. In particular, the theory holds that a rational portfolio manager would opt for low-risk, long-term government bonds as long as they yield as much as stock dividends and the anticipated annual percentage growth in dividends.

In other words, if stock dividends yield an average of 5 percent (the case with a \$20 stock that pays a \$1 a year dividend), and the anticipated growth of dividend yields is 5 percent, portfolio managers would start selling stocks and buying bonds when bond yields rise to or above 10 percent.

Another way to look at this is to focus on what some analysts call the "risk premium." This premium represents the difference between dividend yields, adjusted for growth, and bond yields. The premium is calculated by adding dividend yields and dividend growth rates together and subtracting bond yields.

The higher the premium, the higher yields are in stocks than bonds and the more likely it is that share markets will perform better than bond markets. Thus, when risk premiums are higher than average, analysts say that stock markets are undervalued, and vice versa.

The Bundesbank's decision of July 16 to raise its discount rate by three-quarters of a percentage point to 8.75 percent represented a low-grade financial explosion when measured by risk premium formulas.

Bond yields around Europe rose, particularly in countries with weak currencies in the

European Monetary System, such as Italy. As a result, "equities became expensive in relation to bonds," says Guy Riggall, a global equity strategist at UBS Phillips & Drew in London.

Now according to the theory of financial relativity, if bond yields rise, dividend yields on stocks also should rise. There are two ways this can happen. One is by an increase in dividends. Obviously, this cannot occur overnight. That leads to the other way of boosting dividend yields: a fall in stock prices. Indeed, stocks fell sharply across Europe in the week after the Bundesbank rate increase.

Another conclusion that analysts drew from the German central bank's credit-tightening was that any downturn in European interest rates will be delayed, possibly into next year. This has caused some analysts to revise down their estimates for earnings growth, making bonds appear to be even more favorable than stocks.

Mr. Riggall says that "1992 was supposed to be the golden year for Europe, but now there are a lot of doubts."

In the first half of the year, European share markets collectively outperformed the U.S. share market, as predicted by the risk-premium models. Those models showed a less-favorable risk premium for U.S. stocks because of the low dividend yields on American shares, combined with relatively high long-term bond yields.

But the Bundesbank's discount-rate increase pushed European bond yields higher. And just before the Bundesbank moved, the U.S. Federal Reserve cut its discount rate, which in turn sent U.S. bond yields falling. As a result, the U.S. share market recently has pulled ahead of Europe in performance for the year.

Despite this shift in the markets, some analysts contend that Europe will perform better in the future because of the prospect for eventual declines in bond yields and relatively strong growth in corporate earnings, which should feed through to dividends.

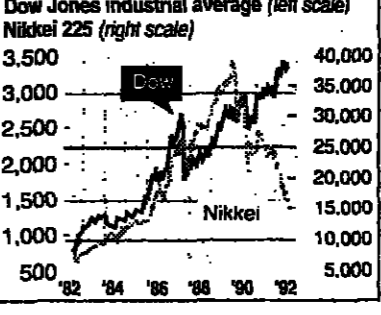
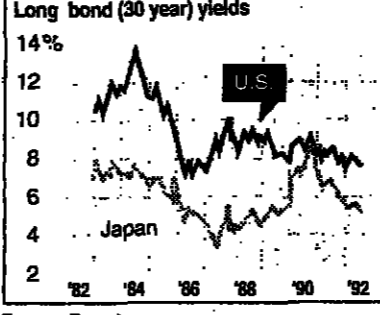
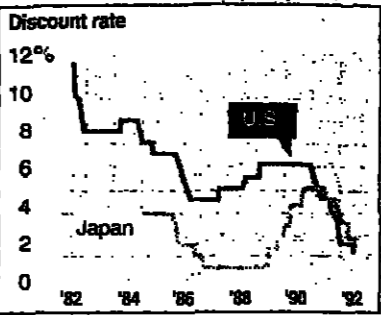
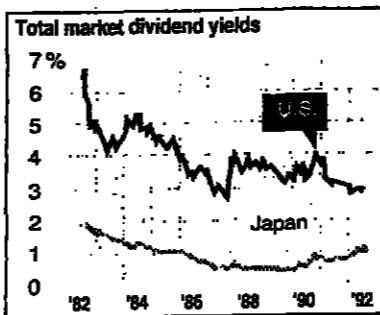
Richard Davidson, a quantitative analyst at Morgan Stanley & Co. in London, says that corporate earnings growth forecasts in Europe are based on productivity gains rather than faster economic growth. He argues that a leveling off of economic growth won't adversely affect earnings growth and that interest rates around Europe should start to fall by year-end.

Goldman Sachs International Ltd. recently revised down its estimates for growth in Britain, but it said that as long as a growth rate of 1.5 percent is achieved in 1993, its risk-premium model shows that British share prices should advance.

Shifting Market Focus

Actual and forecast dividend growth in Europe, in percent.

	1991	1992	1993
Britain	2	4	6
Germany	-1	2	6
France	5	7	13
Italy	-16	4	11
Spain	6	1	7
Netherlands	3	10	11
Switzerland	7	12	5
Sweden	-1	4	7



Source: UBS Phillips & Drew

Source: Datastream

International Herald Tribune

Tokyo Collapse Revives Equity Warrants

By Steven Brill

FEW markets have been as speculative, and crashed so spectacularly, as the market for Japanese equity warrants, a type of stock option.

Yet, even as investors are preparing to swallow billions of dollars in losses on worthless warrants, a trickle of new issues is being snapped up by glib investors hopeful the Japanese economy and stock market will recover over the medium-term.

There is irony, as well as good sense, in the market's revival. After all, it was the astonishing collapse of Tokyo stock prices over the past two and a half years that has made most outstanding warrants worthless, and has forced Japan Inc. to scramble to refinance tens of billions of dollars in associated debt. And Tokyo has been hitting new lows even as new warrant issues have come to market.

However, the sheer depths of the current market has made some investors willing to bet that prices are bound to recover. If that's true, warrants that give a multi-year option to buy stock at a small premium to today's depressed prices should be good value.

"The demand for new issues has been enormous," said Nick Brown, head of warrant trading at Baring Securities in Tokyo. "If the Tokyo stock market is perceived to have recovered, we'll see a lot more companies making new issues."

Warrants issued with bonds have been a favorite method of raising capital in corporate Japan. Typically the warrant, which gives holders the right to buy stock at a fixed price over a period of usually up to five years, is stripped from the bond and traded separately on secondary markets.

Because a warrant can be purchased for only a fraction of the price of the underlying stock, the upside potential is enormous should the share price rise. The downside potential, however, is also great: If the share price falls, the warrant becomes virtually worthless.

A recent issue of bonds and warrants from Kuraray Co., a medium-sized maker of synthetic fibers, was bidders only for 10 days after being issued. The price of the warrant, which gives a four-year option to buy 35,000 worth of shares, has risen to about \$919 from \$850 at launch. The current price means the warrant will be profitable if the stock appreciates 20 percent above its current level.

Kuraray, Penta-Ocean Construction Co. and Mitsubishi Oil Co. are among the latest of some 69 Japanese companies to have issued warrant bonds this year.

In the late 1980s, when the Tokyo Stock Exchange was soaring, warrant bonds were the rage. With stock prices seemingly on an eternal upswing, investors accepted interest payments on bonds as low as 1 percent in return for the right to buy a company's shares at a price that was expected to be below market value years later.

Japanese companies thought it was a panacea. They could borrow at nearly no cost, and when the issues reached maturity, they reckoned most of the warrants would be exercised to buy stock, providing new capital that would pay off the bonds.

Most of the warrant bonds were issued in 1989, the year that closed with the Tokyo exchange's main Nikkei index at its all-time peak of 38,915.87. Now the Nikkei is trading about 60 percent below its zenith, and more than 90 percent of the outstanding warrants have an exercise price above the current share price, and are thus unlikely to be exercised.

The losses will be enormous. If all the warrants maturing in 1992 were to be exercised, that would raise \$19.8 billion for the companies who issued the warrants. In 1993, the sum would rise to \$74.8 billion, according to Baring Securities.

Although showing signs of life, the warrant bond market remains a shadow of its former self. The 69 new issues this year is as many as were issued in a single month in the market's heyday. Moreover, the market has become less volatile and dynamic due to a new screen-based trading system for warrants in Japan as well as the growing use of warrants as a hedging device.

"It used to be the fastest moving market in London," said Richard P. West, head of warrants at Jardine Fleming Securities. "Now you hardly ever get your adrenaline going."

Whether the Japanese warrant market can be revitalized depends on whether companies decide to issue new warrant bonds, a choice that turns on the prospects of Tokyo stocks recovering, Mr. Brown said.

The Ministry of Finance, worried about the overhang of existing debt, has issued restrictions that make it difficult for Japanese companies that have warrant bonds outstanding to offer new ones. Still, analysts say a turnaround on the Tokyo exchange would lead to a flurry of new issues, if only because companies must raise cash to pay off warrant bonds set to reach maturity this year and next. A rally toward 20,000 on the Nikkei over the next 12 months also would bring about half the outstanding warrants into play.

For individuals, the simplest way to buy Japanese warrant bonds is through investment funds run by securities houses, including Robert Fleming, Morgan Stanley and the Big Four Japanese securities houses.

NEW from the International Herald Tribune

Volume 1, Number 1
A Quarterly Publication
June - September
September 1992

INTERNATIONAL FUND INVESTMENT

Good Times, Bad Times

How Analyst Media Stars Win Either Way

Beauty Contests California Fund Search • Toughest It Out in Japan • Custody and Clearing a World at War • Offshore Donorlet • The Critical Choices • Fidelity's Treasonological Edge

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BRIEFCASE

New Hambros Fund Targets High-Grade Dollar Bonds

Hambros Fund Managers (Channel Islands) Ltd., an offshore subsidiary of the Hambros banking group, is launching a dollar managed fund. The fund is designed to offer low-risk, longer-term investment from a portfolio of fixed-income assets. In other words, the managers will make high-grade bond plays. They will seek to provide both capital growth and "a market-related income."

Registered in the tax-privileged domicile of Guernsey, the fund is part of Hambros's EMMA umbrella fund, which had more than \$318 million under management at the beginning of June. The fund is recognized by the leading British investment watchdog, the Securities and Investment Board.

Charges are 4 percent initially, and 1 percent annually. Minimum investment is \$3,800, although as little as \$180 may be subscribed monthly.

For more information, write Hambros Fund Managers (C.I.) Ltd., PO Box 255, St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands; or call Guernsey (44 481) 715 454.

Dividend Reinvestment Gets a Boost From Schwab

The U.S. discount broker Charles Schwab & Co. is rolling out a new service for its customers — dividend reinvestment.

Under the plan, investors in a company can use their dividends to buy more shares rather than taking the payments in cash. Individual companies, big blue chips like IBM and General Motors, have long offered their shareholders this option, but Schwab said it will provide reinvestment services on any U.S. stock, including more than 3,500 exchange-listed and NASDAQ companies.

To take advantage of the service, Schwab customers will simply tell the broker on which stocks in their account they want to have dividends reinvested. The transactions will then take place automatically, with fees deducted from the dividend before reinvestment. Dividends of up to \$250 will be reinvested for a fee of 3.5 percent, or \$3.50, whichever is less. Above \$250, the fee is pegged at 1.5 percent.

There is one hitch. If you're one of those investors who takes comfort in squirreling away your stock certificates in a safety-de-

posit box, you won't be able to participate in the program. The shares must be on deposit at Schwab to obtain the service.

For more information, call (within the United States) 1 800 635 7020, or (outside the United States) (1) 212 370 1177.

Jewelry Sales Dress Up A Bleak Outlook for Gold

The gold price has deviated very little from a mean price of \$360 over the past couple of years, despite a succession of international crises and conflicts that supposedly favor the metal.

One of the main reasons for bullion's sluggish behavior, analysts say, is an excess of supply rather than a lack of demand. But news from the London-based World Gold Council indicates that demand for physical

Gold Demand

Gold (ounces) in metric tons, vs. year earlier period and 1991 year total.

	1991	1991	1992
	1st Qtr.	1st Qtr.	1st Qtr.
Developing Markets (1)	142.2	437.3	140.2
Developed Markets (2)	228.6	602.1	121.8
— Jewelry	30.9	88.6	18.0
— Investment	197.7	513.5	103.8
— Dental (4)	5.5	24.7	8.9

Notes: (1) Jewelry, household gold articles in Taiwan, Hong Kong, Thailand, Singapore, Malaysia, S. Korea.
(2) Six major markets: US, Japan, France, Germany, Italy, Britain.
(3) Japan only.
(4) Germany, Switzerland, Italy.

Source: World Gold Council

gold — as opposed to speculative forward trading on the bullion market — is falling. Purchases for sale to consumers fell over 1 percent in the first quarter of the year, according to the WGC's preliminary estimates.

The good news on physical gold consumption, however, is that the jewelry market is picking up. In the United States, consumers bought 5 percent more gold jewelry in January and February than in the same months of

1991. Consumption in Japan rose by 6 percent, although trade purchase for sale to consumers fell 8 percent.

These figures are reassuring for gold jewelry under difficult conditions," said Roger Murphy, a regional investment manager at WGC.

Calvert Picks Johnstone To Manage New Social Fund

The Calvert Group, one of the biggest purveyors of so-called socially responsible mutual funds in the United States, is moving into the global arena with its new World Values fund.

The firm, which is regarded as a pioneer in social investing, has teamed up with the Scottish firm Murray Johnstone International as manager of the fund's portfolio. The Glasgow-based investment manager will make the stock picks according to traditional financial and performance criteria, while Calvert will lay down the guidelines to determine a company's impact on the environment, health-care issues and human rights. The fund will offer significant involvement in nuclear power, weapons, alcohol and tobacco, and it will not invest in South Africa.

Calvert already manages some \$1.1 billion in socially responsible funds. The new World Values fund will have a 4.75 percent front-end load, with a minimum initial investment of \$2,000.

Woolwich Brings Low Yields To Guernsey In Dollar Offer

Woolwich Guernsey, an offshore affiliate of the British building society Woolwich Equitable, is marketing a fixed-rate U.S. dollar account. Interest is paid gross at a guaranteed rate over a fixed term, and investors can choose terms of 1, 3, 6 or 12 months. Rates vary daily. A typical range of rates this week ranged from 2.75 percent over one month to 3.12 percent over a year.

Investors can opt to have interest paid to them as income and have the capital automatically reinvested. The minimum investment is \$20,000, although deposits of an equivalent sum in any major currency are acceptable. Transactions are free, with the exception of electronic funds transfers, which cost \$35 each.

For more information, write Woolwich Guernsey, La Tonneliere House, Les Banques, PO Box 341, St. Peter Port, Guernsey; or call Guernsey (44 481) 715 733

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TOP FUND

12 p.m.

THE MONEY REPORT

Hopes Return to Stockholm Bourse

By Aline Sullivan

The Affarsvarlden general index of Swedish stocks has tumbled almost 25 percent since a center-right coalition replaced almost 60 years of Socialist rule, dashing hopes of a conservative-inspired stock market rally.

The commitment by the government of Prime Minister Carl Bildt to join the European Community and its fixed exchange-rate system and lower taxes seemed to be a recipe for higher share prices. But the government's efforts to prepare state-owned industries for privatization were unfortunately timed.

Companies, particularly the engineering and manufacturing groups, were battered by the effects of global recession in the midst of restructuring. In the circumstances, foreign investors may have been lucky that the statutes of many Swedish companies barred them from buying voting stock.

But now at last there are some signs of life in the Swedish stock market. Export activity has picked up, inflation is down and many companies are starting to show signs of earnings recovery.

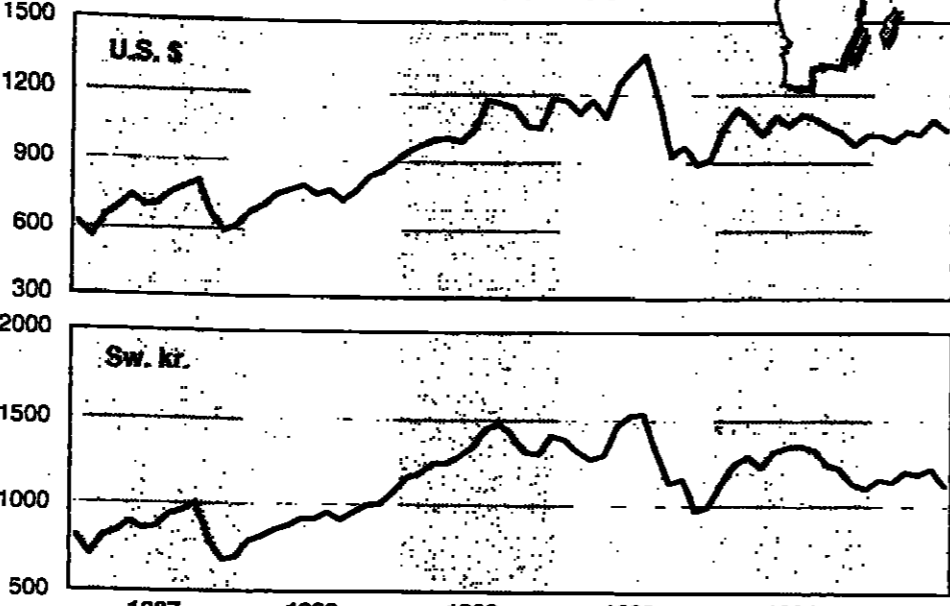
Swedish companies have been carrying the fat of many years of socialism, said Baring Securities analyst Gary Dugan in London. "Now that they have restructured it's a good time to invest in these stocks." He expects Swedish company earnings growth to outpace the European average by about 7 percent next year and by 50 percent in 1994.

Stock market analysts point to Sweden's increasing participation in European economic and political life as a likely boost for exports. Sweden applied for EC membership in July 1991 and is now busy preparing for possible entry in 1995.

This involves bringing its interest rates into line with other EC members and cutting taxes from the current 57 percent of gross national product to around 46 percent by the end of the century, a plan welcomed by companies and investors. Sweden is not a member

Weighing Swedish Stocks

Price index of Swedish stocks in kronor and in U.S. dollars.



Source: Morgan Stanley Capital International

of the exchange-rate mechanism, which ties EC currencies together, but the krona is informally tied to the European Currency Unit and has tracked it since early last year. Analysts also expect Swedish companies to benefit from any recovery in the United States, where Volvo AB, Saab-Scania AB and some of the big pharmaceutical companies make a large proportion of their sales.

Institutional investors have already started to increase their weighting in Swedish stocks. Many have been attracted by the new availability of shares previously out of bounds to foreigners and the government's plans to sell part of its industrial holdings. Neil Oster, a director at London-based fund managers Marathon Asset Management, said Swedish stocks were a good buy "if you believe in economic recovery" in Europe and the United States. Swedish companies are ultimately going to be winners in European

industry, he said, because they are better managed than many of their competitors — although this is not a universally held view. Food and pharmaceutical group Procordia AB, in which the government owns 34.2 percent of the stock and 42.7 percent of the voting shares, will be offered for sale in the autumn as the first of a program to sell 35 of the country's state-owned companies to private investors. The sale was meant to start earlier this year but encountered a delay when Volvo, the largest shareholder in Procordia, announced plans to take over the company before being blocked by the government.

Expanding Indexes: Investors Like Them

By Martin Baker

The expanding universe of stock indexes grew a little larger this week. Wednesday saw the publication of the International Herald Tribune's World Stock Index, compiled by Bloomberg Business News.

Readers now have a quick measure of the health of the world's 20 most important stock markets and, indirectly, their underlying economies.

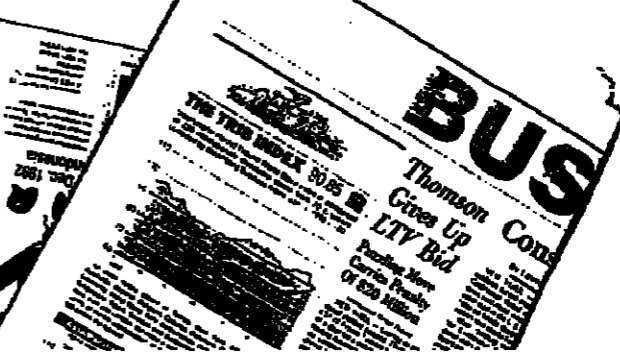
Indexes serve as an unbiased measure of markets enabling investors to understand the opportunities in each market," said a spokesman for one leading compiler of international stock indexes. "They serve as benchmarks for professional managers against which their portfolio management abilities are measured. As stock markets are barometers of market economies, indexes are economic indicators." The Trib Index is designed to function on all three levels.

The value of the Trib Index as an analytical tool will make itself felt in Money Report articles featuring specific countries or worldwide industries. The index lends itself to this purpose by tracking the top 10 shares in each market, with the exception of New York, Tokyo and London, where 20 stocks from each market are included. One of the specific benefits of including the biggest shares from each country — as opposed to weighting all shares against one another irrespective of nationality — will be the availability of an economic snapshot of how a given country's major corporations are performing.

But the guiding principles of creating the index have not been to provide just a useful tool for financial analysts. The Trib Index is designed to be as simple as possible, and to be composed only of shares that are available to international investors. By making the index easy to understand and constructing it from readily purchasable stocks, the intention is to give the index immediacy. It corresponds to something readily available in the real world.

If readers decided to buy the index — and it must be stressed that this is not an invitation to do so — they could do it relatively easily. There are 232 stocks from 230 different companies (two companies have split stock and are therefore listed twice). It would simply be a question of finding a brokerage, and handing over enough money to be invested in shares following the weighting of the index.

The index is weighted according to market value. This accounts for the fact that although the United States has only 20 stocks in the index, it represents approximately one-third of its value. Hong Kong, on the other hand, has 10 stocks



represented in the index, but accounts for just 3 percent of its value. This is because of the relatively small size of the Hong Kong market.

One of the main reasons that the number of indexes has multiplied rapidly in recent years is that investing in indexes has often proved attractive. "Indexing large, liquid markets like the S&P 500 may not be a bad idea," the Chicago-based mutual fund statistical firm Morningstar wrote in a commentary earlier this year. "In contrast, less-researched sectors give top managers the opportunity to outmaneuver weaker rivals. In such situations," it concluded, "investors would do well to shun index funds."

Morningstar's research made grim reading for investors in actively managed funds trying to beat the indexes of large, liquid markets. Of 47 funds investing in large capitalization stocks monitored over a five-year period to the beginning of this year, only 12 were able to beat the S&P 500, after expenses.

RESEARCH done by Morgan Grenfell Investment Funds Ltd., a London-based mutual fund manager, has produced similar results. Before launching its fund to track the British market, Morgan Grenfell ran back the fund performance statistics for the preceding 10 years.

Year-on-year over the preceding 10 years the index outperformed 90 percent of unit trusts, investment trusts and life funds, said Tony Fraher, managing director of Morgan Grenfell Investment Funds. "But now we've got a more convincing statistic: Since launch in October 1988, 90 percent of

funds should beat the market index. Index funds are a good short-term option for institutional investors."

DWS pointed to the performance of its Akkumula fund, which invests in international equities. Over the 10 years to the end of June, the fund showed a dollar total return of 570 percent, versus a return of 420 percent from Morgan Stanley Capital International's World index. Over five years, the fund returned a dollar gain of 70 percent, versus an advance of 19 percent from the Morgan Stanley index, DWS claimed.

Notwithstanding DWS's skepticism over index investment, the firm has a highly successful index-tracking fund. The Konzept '90 fund closed its subscription lists in January, having taken 300 million Deutsche marks (\$202 million). The fund tracks the Frankfurt DAX index, but also guarantees investors the return of their original investment if the index should fall below its level during the fund launch when the fund closes and distributes its assets in 1994.

INTERNATIONAL financial consultants Ernst & Young recently highlighted the opportunities afforded by index investment in its regulatory financial planning bulletin. The bulletin argued that given that the U.S. stock market not too many years ago used to account for 80 percent of world stock market capitalization, but is now down to something less than 40 percent, a little portfolio diversification outside U.S. stocks might be a good idea. It cited funds tracking foreign indexes as a good idea, primarily because that route avoided having to select individual stocks or individual managers.

That's true, up to a point. After all, though the role of the manager is significantly diminished in index fund investment, the manager is still important. To track an index efficiently the manager must have a slick computer system and generally a lean business operation that enables charges to be kept to a minimum. Groups like Vanguard, which is a master at cost-cutting, have index funds, and their performance can, and should, be checked against the indexes they track before investing.

Analyst's Estimates of French Company Results

Table with columns: COMPANY, End of financial year, Earnings est for '92, Last month's est., % change, Last month's closing price, Current price, % change, P/E (est.), No. of analysts' est. used. Lists companies like MICHELIN, TELEF. FRANCOIS, PARIBAS, VALEO, etc.

The Wallenberg family, whose wealth analysts estimate at about 70 billion kronor (\$13 billion), owns substantial stakes in Investor, Astra AB, ASEA AB, Stora Kopparbergs Bergslags AB, Saab-Scania, SKF, Atlas-Copco AB, L.M. Ericsson, Electrolux AB, Incentive AB and ESAB AB. The Rausing family controls Tetra Pak AB and Alfa-Laval AB.

Other candidates for full or partial public sale include Scandinavian Airlines System, or SAS, which is 50 percent owned by the governments of Sweden, Norway and Denmark; the telecommunications authority Telverket; power generating company Vattenfall, and Sverig's Stal, the steelmaker. Foreign investors will be encouraged to buy shares in these companies and most restrictions limiting foreign ownership will soon be abolished.

"The gradual removal of restricted shares will slowly increase the extent to which the Stockholm market functions as a market not only for equity but also for corporate control," said Johan Ervolf, an analyst with Carnegie International in London. "The issue is then how to seek to increase a portfolio's exposure to high voting shares."

One effective way is via holdings in investment companies like Investor. Mr. Ervolf rates Investor a "buy" because it has a 23 billion kronor portfolio of high quality assets and strategic equity holdings in other major Swedish companies. Investor is 26 percent owned by the Wallenberg family.

Analysts are generally bearish on Swedish banks and insurers, both of which have been badly affected by falling real estate values. The impact of the recession, high interest rates and increased credit losses has resulted in poor earnings.

The study showed \$178 million in losses from swaps with the British local authorities, which were allowed by a House of Lords decision to walk away from losses on the ground that the local governments lacked the power to enter into deals.

An additional \$95 million of losses came in dealings with non-financial corporations, while there were \$20 million in losses from deals with savings and loan associations and \$63 million involving other financial institutions. And about \$3 million came in losses from swaps with other types of governmental authorities. (JHT, NYT)

Swap Dealers Seek to Allay Fears of a Meltdown

Prophets of financial collapse have found ample grist for their doomsday scenarios in the swaps market, thanks to its almost incomprehensible size and complexity and light-handed regulation. But a survey published this week in New York suggests that the risks so far are manageable.

The new study, done at the request of currency and interest-rate swap dealers, indicates that losses in the burgeoning industry have been rare, but that they still amount to more than \$358 million. The losses represent a tiny part of the trillions of dollars of swaps that have been written, and most of them came from one well-publicized problem: A decision by British authorities that allowed local governments to back out of interest-rate swap arrangements.

In the simplest form of interest-rate swap, one party agrees to pay the other's fixed interest-rate obligations on a loan of, say, \$200 million, while the other agrees to pay floating rates on a similar loan. In the minimal reporting of swap dealers, that swap would be reported as having a "notional principal amount" of \$200 million, although the most either party could lose, in case of default, is a small fraction of that amount.

Both swaps and futures represent a way to transfer various types of risks. But whereas futures contracts are regulated by the CFTC, with volume limits, margin rules and disclosure of trading prices, swaps are negotiated over the counter, with only the most minimal disclosure.

The swaps market grew rapidly in the 1980s, but has slowed a bit. The notional principal amount of outstanding interest-rate swaps contracts at the end of last year was \$3.1 trillion, while the volume of currency swaps was \$807 billion, according to new figures. In the simplest form of currency swap,

one party agrees to pay a fixed amount of dollars while the other agrees to pay a fixed amount of another currency, like German marks.

During the final six months of 1991, volume of new interest-rate swaps was \$860 billion, 13 percent more than in the prior period, while volume of new currency swaps was \$167 billion, an increase of just 4 percent.

Recently, market participants say, the rapid growth in the swaps market has been in the areas of commodity and equity swaps. But the swap dealers association has never released figures on those.

In the new study of losses, Arthur Andersen & Co. surveyed firms representing about 70 percent of the swaps market, or a total notional principal amount of \$3.1 trillion. The losses in all the swaps in the study was \$358 million, or about one-hundredth of 1 percent of the notional principal amount.

In fact, that percentage grossly understates the losses as a percent-

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SPORTS BASEBALL

Balance Is the Key, Tagliabue Tells Court

By Thomas George
New York Times Service
MINNEAPOLIS — In his first day of testimony in the Freeman McNeil v. National Football League free-agency lawsuit, Commissioner Paul Tagliabue argued in favor of league rules that he said maintain competitive balance and keep the NFL financially healthy for players, owners and fans.

"Our league is a joint and common venture of the teams," Tagliabue said. "It is unique because the teams join together to present one product, the National Football League, and they compete on the field but join together in a business sense to share the revenues, the profits and the losses."

Tagliabue was questioned for nearly five hours Thursday by the league's lawyer, Frank Rothman, and during the final hour by the players' lawyer, Jim Quinn. He will resume his testimony on Monday, when the trial resumes in its sixth week.

The crux of the trial is the legality of the league's right of first refusal and Plan B free-agent systems.

Under right of first refusal, a nonsigned player who signs an offer sheet with another team is free to leave only if his former team fails to match the offer and his new team awards his former one two first-round draft choices. Under the Plan B system, teams can protect 37 players on their roster, leaving the rest free to sign with other teams without compensation.

The league argues that both systems are necessary to maintain competitive balance and prevent big-market cities from monopolizing talent. The players contend that both systems are illegal under anti-trust law and are seeking damages for the eight players named in the suit.

Quinn asked Tagliabue whether when he left college, there was a group of lawyers who told him that he had to work for a certain firm. He asked Tagliabue if compensation was required to his old firm when he left in November of 1989 to become the NFL commissioner.



Bernard Dafney of the Houston Oilers getting some tips Friday from the former grand champion Hokutozumi on sumo wrestling. The Oilers play Dallas on Sunday in the American Bowl in Tokyo.

Tagliabue responded to each time. "You are an employee of the 28 owners," Quinn asked, noting that Tagliabue had worked as a league lawyer for 20 years and handled more than 50 antitrust cases for the league. "If you weren't commissioner, you'd be sitting right over there?" Quinn added, pointing to the league's table of lawyers.

"That is a reasonable and distinct possibility," Tagliabue said. Before that, Tagliabue had offered in great detail a historical perspective of the league and a synopsis of its labor situation from 1968 to the present.

He pointed out that the league had reached four collective-bargaining agreements with its players — in 1968, 1970, 1977 and 1982 — and noted that the right of first refusal system had been agreed upon by both parties in each agreement since 1977. The 1982 agreement, however, expired before the 1987 season.

Without the right of first refusal system, under which only two play-

ers have moved to new teams since its inception, "in my view, the competitive balance of the league and indeed the financial stability of the league would be jeopardized," Tagliabue said.

Barney Still Playing Hurt
Just like his playing days, Lem Barney will even play hurt when it comes to his induction into the Pro Football Hall of Fame, The Associated Press reported.

Barney, a standout cornerback and kick returner for 11 seasons with the Detroit Lions, will join the Los Angeles Raiders' owner, Al Davis, running back John Riggins and tight end John Mackey at induction ceremonies in Canton, Ohio, on Saturday despite a painful infection that kept him in a hospital this week.

"I'll be down there on Saturday. It's a painful injury, very painful. But I'll be there," Barney said from his Detroit hospital room.

The Philadelphia Eagles meet the New York Jets in the annual Hall of Fame exhibition game after the induction ceremonies.

Home at Last, Pirates Win 4-0

The Pittsburgh Pirates, who lost their season-long grip on first place in the East during their just-completed 2-7 road trip, defeated the St. Louis Cardinals, 4-0, at home to halt a three-game skid.

The shutout, the 15th of the season for the Pirates, kept them even with the Montreal Expos, who made up five games while Pittsburgh was reeling on the road.

"I don't think you're ever as bad as you look when you're losing, or as good as you look when you're winning," said Pittsburgh's manager, Jim Leyland. "As bad as it seemed — and it was bad — we weren't out of many of those games. A base hit or sacrifice fly in the right place in four of those games and it's not such a bad trip."

Whatever the six-game home stand got off on the right foot behind left-hander Danny Jackson, who won his first game as a Pirate.

Jackson, acquired from Chicago on July 10 for Steve Buechele, shut out the Cardinals on eight hits over seven innings to lower his ERA to 1.29 in three starts with Pittsburgh.

The Pirates had scored only three runs in 24 innings for Jackson until they finally got to starter Mark Clark in the seventh.

"You can't go out there worrying

how many runs you're going to get. If you do that you'll start pressing and trying to be too fine," Jackson said. "You just go out there and pitch the way you know how to pitch."

"I've watched this team for four years. I know they're going to score runs."

Bob Patterson pitched the final two innings for his seventh save. Clark had checked the Pirates on one run over 14 innings this season until Mike LaValliere doubled, Jose Lind singled and Alex Cole tripled over Rex Hudler's head in right field to break open the scoreless game and send the Cardinals to their 10th loss in 14 games since the All-Star break.

Expos 7, Phillies 2: In Montreal, Mark Gardner won his 10th game of the season and Larry Walker hit a two-run homer against Philadelphia, but the Expos took a severe blow when star outfielder Morgan Grissom suffered a hairline fracture of his left hand.

Grissom, who leads the major leagues with 34 stolen bases, was hit by Phillies pitcher Cliff Brantley in the sixth inning and will be lost to the team indefinitely. Gardner allowed six hits, struck out four and walked two in 6 1/2 innings. Mel Rojas finished, allowing one hit and striking out three.

Games 5, Braves 6: In San Francisco, John Burkett pitched a four-

hitter and Matt Williams singled three times and scored four runs as the Giants began a crucial five-game home stand with first-place Atlanta with their third victory in four games.

The Braves have lost four of their last five and only lead second-place Cincinnati by a half-game in the National League West.

Burkett, who won for only the second time in 11 starts since May 27, retired 11 in a row over one stretch and did not allow a runner past second base in posting his second career shutout.

Dodgers 6, Padres 5: The last-place Dodgers won for only the second time in nine games on Todd

Benzinger's sacrifice fly in Los Angeles.

The bad news came before the game when outfielder Darryl Strawberry announced that he would have surgery to repair a herniated disk in his lower back and would miss the rest of the season for the Dodgers. Strawberry, 30, has played only 38 games this year, and is batting just .237 with five home runs and 24 RBIs.

Eric Young, called up from Triple-A Albuquerque on Thursday after the Dodgers released second baseman Juan Samuel, made his major league debut and tied the score at 5 in the seventh with an RBI single.

4th Straight Loss Is Costly for Twins

Kirby Puckett isn't worried that the Minnesota Twins have dropped out of first place for the first time since June.

"Some people might be panicking, but we aren't," Puckett said after Thursday night's 5-2 loss to the Milwaukee Brewers in Minneapolis. "Our time will come and somebody is going to have to pay."

For now, the Twins aren't coasting; other teams very much. They've dropped four straight, their longest losing streak since April 1991, and fallen from the American League West lead for the first time since June 28.

Milwaukee won for the fifth time in seven games and remained five games behind Toronto in the AL East.

Chris Bosio held the Twins to two hits through five innings and led, 5-0. But he gave up three straight singles starting the sixth and found himself facing Puckett with runners at the corners and no outs. Puckett grounded into a run-scoring double-play and Bosio was back on track.

Blue Jays 3, Royals 0: David Wells allowed three hits in seven innings and Duane Ward and Tom Henke finished with hitless relief as Toronto shut out an opponent for the ninth time this season.

Henke got three outs for his 18th save in 21 chances as Toronto won for only the second time in six games.

Luis Aquino, making just his third start of the year, gave up three runs — two earned — and seven hits in 5 1/2 innings. Visiting Kansas City, blanked for the seventh time this season, lost for the fourth time in five games.

Angels 6, Mariners 5: Finch-hitter Gary Gaetti capped a five-run eighth with a three-run homer in Anaheim, California.

Junior Felix greeted Russ Swan with a two-run single off the glove

First Flares in America's Cup

SAN DIEGO — The first controversy of the 1995 America's Cup has flared up as the San Diego Yacht Club acknowledged the Yacht Club de France as the regatta's Challenger of Record.

A protocol document signed May 13 gave the San Diego club 60 days from the last race of the 1992 America's Cup to appoint a challenger to convene a meeting of intended 1995 participants to elect a Challenger of Record, which represents the interests of all challengers.

France and Spain issued challenges immediately after Bill Koch's America's syndicate successfully defended the Cup against Italy's Il Moro di Venezia on May 16.

France paid its nonrefundable \$75,000 entry fee, but the Spanish check didn't clear, said Sandy Purdon, a San Diego club board member and its immediate past commodore.

"A number of other people say they will be challengers, but nobody else has sent their \$75,000 check, which is required to make them qualified," Purdon said.

Nippon Challenge, which mounted Japan's first America's Cup challenge this year, notified officials that it also would challenge. But the Japanese group didn't meet the 60-day deadline to be considered as the Challenger of Record, Purdon said.

An Australian group also intends to challenge. It includes John Bertrand, who ended the New York Yacht Club's 133-year winning streak in 1983 when he skippered Australia II to an upset victory over Dennis Conner's Liberty.

The announcement of the French syndicate as Challenger of Record was criticized as a breach of protocol by Eric Taylor, executive director of the Challenger of Record Committee for the recently completed regatta.

"The SDYC cannot appoint, nor can the French claim to be, the Challenger of Record as that term is only used when multiple challenges have been accepted," said Taylor, adding that he was working on behalf of other intended 1995 challengers.

The first challenger meeting likely will be in early December, he added.

Eight yacht clubs from seven countries challenged during the 1992 regatta off San Diego.

SCOREBOARD

BASEBALL

Major League Standings

Table showing Major League Standings for American League and National League, including teams like Toronto, Milwaukee, New York, and Philadelphia.

Thursday's Line Scores

Table showing Thursday's Line Scores for American League and National League, listing teams and their scores.

TRANSACTIONS

Baseball transactions including acquisitions, releases, and other team news for various leagues.

BASEBALL

Baseball news items including player movements, injuries, and team updates.

BASEBALL

Baseball news items including player movements, injuries, and team updates.

ACROSS

- 53 Textile worker
54 Planks for dancers
56 Descry
59 Access Skye
60 Whose woods these — think I know?
61 Source of the Mississippi
64 Cheekbone
65 An American's right
71 Hindu princes
72 Mad
73 Nice night
74 Land owned absolutely in feudal days
75 La — tar pits
76 Lifetime, to fry
78 What Sandburg called "a bucket of ashes"
82 Some are flying
84 Sand-trap shots
87 Italian food staple
88 "A — I have won... Shak.
91 Optician's products
92 Antimatter
93 Nita of the silents
94 H. Hoover or H. Wallace
97 William Corcoran
endowment

DOWN

- 100 Elate!
103 Most carefree
107 Explorer Johnson
108 Provide (with)
109 "Le Roi d'Ys" composer
110 "She was a —"
Wordsworth
116 Northern capital
117 Situate
118 De Wit
Clinton's "ditch"
119 Israeli coin
120 Reporter's question
121 Pool member
122 Westchester inst.
123 Wat Tyler was one
1 Lundy or bunny chaser
2 Eureka!
3 Needlefish
4 "The Sheik of —"
5 Set new boundaries
6 Canaanite military leader
7 Venetian vendors
8 For each
9 Novelist O'Flaherty
10 — Lay Dying?
Faulkner
11 Retiree's concern
12 Feign
13 Passover feast
14 Metric weight
15 Wash
16 Eastern V.I.P.
17 St. Louis bridge builder
20 Anatomical network
24 TV's — Lucy?
25 Burrowing rodent
30 Colo. resort
31 Forward
32 In good spirits
33 Papal cape
34 Railroad car in Valladolid

The Sunny Side By Joy L. Konk

Crossword puzzle grid with clues and a solution key for 'The Sunny Side' by Joy L. Konk.

Large advertisement for AT&T USADirect service, featuring the slogan 'FEELING OUT OF IT?' and 'AT&T USADirect® Service can get you back to the office in seconds.' Includes a table of international dial access numbers.

SPORTS

OLYMPICS

PORTS Unified Team Berlin Ex-Team...

OLYMPIC SCOREBOARD

MEDALS

Country Standings table with columns for Gold, Silver, Bronze, and Total medals for various countries.

Friday's Finals

Table listing Friday's finals for various sports including Badminton, Judo, and Yachting.

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BADMINTON

Men's Singles: Zhao Jianhua (China) def. Darren Hall (Britain) 15-10, 15-10.

JUDO

Men's 54 Kilograms: Jia Xiaoping (China) def. Marius Petru (Romania) 10-0.

YACHTING

Men's Star Class Standings: After 5 races, Mark Reynolds (USA) leads.

Archery

Men's 50-meter and 30-meter: Archery Women 50-meter and 30-meter.

Swimming

Men's 100-meter, 200-meter, 400-meter, 800-meter, 1500-meter.

Weightlifting

Men's 55kg, 60kg, 67.5kg, 75kg, 82.5kg, 90kg, 100kg, 110kg, 125kg.

Table Tennis

Men's Singles: Li Xiaoping (China) def. Jia Xiaoping (China) 4-0.

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Men's Singles: Li Xiaoping (China) def. Jia Xiaoping (China) 4-0.

OLYMPICS ON TELEVISION

Saturday's Events

Archery Women 50-meter and 30-meter, 1900. Men 50-meter and 30-meter, 1900.

Sunday's Events

Archery Women 70-meter first and second round, 0700.

Saturday's TV

Europe: Eurosport - 24-hour coverage. Asia/Pacific: The Seven Network 0700-1800.

Roller Hockey

Second round games, 1600. Second round games, 1700.

Roller Hockey

Men's 110-meter hurdles, first round, 0800.

Roller Hockey

Men's 110-meter hurdles, first round, 0800.

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Roller Hockey

Men's 110-meter hurdles, first round, 0800.

Panasonic advertisement featuring a bicycle and the text 'We're Keeping Pace With Cycling Action In Barcelona.'

SPORTS OLYMPICS

Unified Team Beats Lithuania in Test For Ex-Teammates

BARCELONA — The Unified Team clinched first place in its six-team men's basketball pool Friday, overcoming a 19-point deficit with 15 minutes to play to beat Lithuania, 92-80.

It was Lithuania's first defeat. The Unified Team of former Soviet athletes is undefeated.

The game was a reunion of eight members of the team that won the gold medal in Seoul four years ago. Four of those former teammates were playing for each team, following the breakup of the Soviet Union.

Lithuania (3-1) seemed in control, leading 53-34 with 15:17 to play. But the Unified Team (4-0), which had shot 31 percent in the first half (11 for 35), made 14 of its first 19 in the second half to get within 62-61 with 9:17 to play.

The Unified Team, which lost to Lithuania by 37 points last month in an Olympic qualifying tournament, took the lead for the first time at 67-66 with 7:08 left on two free throws by Alexander Volkov.

Lithuania only held the lead one more time, on the next basket by Arvidas Sabonis 46 seconds later.

Volker Tikhonenko, who had nine points at halftime when the Unified Team trailed 38-26, finished with 31 as the shots he had been missing in the first half started falling.

Volkov, a gold medal winner in 1988 along with Tikhonenko, Igor Migliniaks and Aleksander Belostennyi, had 19 points and four rebounds. Migliniaks had 15 points and 11 steals for the Unified Team, which now avoids facing the United States until the gold medal game.

Sabonis, who played for the Soviet Union along with Sarunas Marciulionis, Valdemaras Khromcius and Rimas Kurtinaitis, had 21 points and 16 rebounds. Marciulionis, who plays for the National Basketball Association's Golden State Warriors, had 21 points and eight assists.

In other games played Friday, wire services reported:

Australia 88, China 66: Andrew Geze led hot-shooting Australia to its third victory in four games.

Geze, who helped Seton Hall reach the final of the 1989 U.S. National Collegiate Athletic Asso-

Estonian Wins in Cycling for Republic's First Title

BARCELONA — Eika Salumae of Estonia won the women's sprint in cycling Friday, capturing the Baltic republic's first Olympic medal since the country left the former Soviet Union.

Salumae, who won the gold for the Soviet Union in 1988, defeated Annett Neumann of Germany. The bronze went to Ingrid Haringa of the Netherlands, the 1991 world champion.

In the men's sprint, the world champion, Jens Fiedler of Germany, barely defeated Gary Neiwand of Australia. After a controversial



Cho Youn Jeong of South Korea, removing arrows from the target Friday, after her world record in the 70-meter archery competition.

But Miriam Blasco stole the show by giving Spain its first Olympic judo gold, for men or women, when she narrowly outpointed Nicola Fairbrother of Britain in the women's lightweight (56-kilogram) final. Chiyotaro Tateo of Japan and Driulis Goryainov of Cuba won the bronze medals.

Samardov, 50 grams heavier than either of his opponents, had to settle for the bronze.

Dimas won because he achieved his total earlier in the competition, with his first clean and jerk, while Stiemion needed two tries to lift the bar.

Samardov rejected his bronze medal and stormed off the rostrum, and the sport's governing body, the International Weightlifting Federation, said Samardov had been banned for life for rejecting it.

In judo, the world lightweight champion, Toshihiko Koga of Japan, shrugged off pain in his injured leg to bring Japan its second men's judo gold of the Olympics when he beat Bertalan Hajtos of Hungary on a decision in the lightweight (71-kilogram) final.

Foth had 1,266.6, and Koba, 2,265.9.

Juha Hirvi of Finland, who set the pace from the opening section of 40 standing shots, went into the final a point ahead of Koba and three clear of Foth and Penkian. But the firing Finn then blew his chances with a wild opening shot that scored only 5 points.

China, third in Seoul and second behind the former Soviet Union at the 1990 world championships, now has to win its final preliminary match against Brazil to reach the final phase of the women's tournament.

Donald stopped Nikolai Koulikine of the Unified Team of former Soviet athletes on cuts after two rounds of their scheduled three-round fight.

Donald was headed for a shutout points win when Koulikine quit because of a cut next to his right eye. He and Balado meet Tuesday.

Algeria's Ahmed Dine and Chris Byrd of the United States advanced to the middleweight quarterfinals.

Byrd, nervously watched by his father, scored with counter right hands off the ropes to take a 16-7 win over Alexandre Lebziak of the Unified Team of former Soviet athletes.

Byrd, winning his second 75-kilogram fight of the Games, led 4-1 after the first round, then spent much of the second and third rounds fighting off the ropes. The strategy proved effective, although it cost him some points when he got caught with right hands from Lebziak.

"I tell him not to go to the ropes but he fights so well off the ropes," Joe Byrd said. "He makes me so nervous. He got caught with a couple of shots he shouldn't have."

Dine survived a spectacular, late-match surge by Dutch boxer Albert Joval to set up a Monday bout with Byrd, son of U.S. coach Joe Byrd. The winner is guaranteed, at least a bronze medal.

Joval forced Dine to take two-standards 8-counts in the third round, the second one coming with 30 seconds left in the fight. If a boxer gets three standing 8s in a single round, the bout is stopped.

Dine got through the final half minute and was rewarded with a 22-14 decision.

Stefan Trendelov of Bulgaria stopped Lu Chao of China in the first round of their middleweight bout.

Dream Team in a Hotbed At Olympic Venue, Winning Team and Knowing Fans

By William Gildea
Washington Post Service

BADALONA, Spain — The full heat of the day had yet to press the pavement when Jonathan Gomez Herrera, 12, dribbled a basketball past the Palau d'Esports de Badalona, home of the Dream Team. Two friends ran alongside, and — with dreams of their own — they headed for a local outdoor playground with two courts.

The rims were orange, and there were no nets. On the other court, a shirtless Luis Fernandez Lopez, 17, stuffed a shot in imitation of Michael Jordan. As a basketball hotbed, Badalona is a fitting place for the greatest basketball team ever assembled to play its games.

Badalona boasts one of the finest basketball teams in Europe, Joventut, which lost by only 116-114 to the Los Angeles Lakers last October in an exhibition game in Paris, and, more significantly, by 71-70 to Parisian Belgrade for the European club championship in April. Half the city's population of about 270,000 belongs to the Joventut fan club.

In its passion for the sport, Badalona is Spain's Indiana of basketball, although the scene is more reminiscent of the narrow streets around Boston Garden.

Young or old, men or women, Badalonans know their hoops. Proud hosts, they're awed but not overawed by the Dream Team. They appreciate them all, but they love one — Magic Johnson.

worked out because he could come and play."

In the nearby Bar Nandi, José Parada drew a beer for a customer. He works for his daughters Rosa Maria and Maria Isabel, who own the sandwich shop with the grill and heavy wood bar and two slot machines. "Basketball is the best of everything in the Olympics," said Rosa Maria. "Everyone here loves the game. In the evenings, a hundred kids might be out here playing."

Pausing, she added: "The Americans have come here to win the gold. There is no suspense, and so in a way they can take some of your enthusiasm because you know they will win."

"Ah, it's ballet," said her father.

"I don't know," she said. "They're people with such overwhelming strength. Look, they say, 'We are here to take the gold, we are going to clean up.' Of course, they have reason for."

Young or old, men or women, Badalonans know their hoops. Proud hosts, they're awed but not overawed by the Dream Team. They appreciate them all, but they love one — Magic Johnson.

feeling like that. But it gives us the feeling we're not good enough. It gives you a complex, that we are sort of small."

Still, Mr. Parada said: "I want to get a ticket to see the U.S. and Spain." That is on Sunday. Where would he get such a hot ticket?

"There is an extra ticket," he said. "If a relative in the south of Spain doesn't come up, there will be the ticket."

He volunteered praise for Johnson "because of the strength that he is showing with his physical problem," and for his "team play, as well, just like Kareem Abdul-Jabbar, when he played for the Lakers. He cared for the team." People here speak of Michael Jordan and his "individuality." Johnson and his "team play."

Team play seems to count for more.

Bruguera, Stich and Chang Fall

BARCELONA — Michael Stich of the United States became the eighth seeded player to lose at the Olympics by the second round, falling Friday to Jaime Oncins of Brazil, 6-2, 3-6, 6-3, 6-2.

In other matches, Jennifer Capriati of the United States, the third seed, advanced to the third round by routing Patricia Tarabini of Argentina in straight sets, 6-4, 6-1.

So did Arantxa Sanchez Vicario of Spain, the No. 2 seed, who eliminated Mana Endo of Japan, 6-0, 6-1.

Michael Stich of Germany, the No. 8 seed, lost to his compatriot, Carl-Uwe Steeb, 6-4, 6-2, 4-6, 6-3. And No. 11 seed Sergi Bruguera of Spain fell to Mark Koevermans of Holland, 1-6, 6-3, 6-3, 6-2.

Chang, the sixth seed, was playing on his favorite surface: red clay. He seemed certain to progress at least past the second round.

But he slumped here as he has elsewhere of late. The loss was his fifth in the past eight matches.

Oncins, ranked 53d, was urged on by a small knot of supporters who sang, chanted and stomped their feet as he closed in on the victory.

Earlier, the 16-year-old Capriati became the third American to reach the third round.

"I like the faster surface better," she said. "Clay's all right, but I don't have a lot of patience. I'm getting better at it, though."

Another Spaniard, Conchita Martínez, the fifth seed, beat Sandra Cecchini of Italy, 6-4, 6-3.

Indonesia's Yayuk Basuki eliminated 13th-seeded Mary Pierce of France 6-6, 6-3, 10-8.

Bruguera, who spent weeks training for the Games in his home city, crumbled on the clay Friday.

The Spaniard seemed shell-shocked by his defeat. He has had a foot injury but denied it had affected his game.

"Something changed, something happened," he said. "But I just don't know what it was. Maybe it was the court."

Many of the players, led by Stich, had said that the Spaniards have an overwhelming advantage with the courts.

"They have made the best conditions for their players," Stich said after his loss. "It's always like this in the Davis Cup. Every country does the same when they are host. But for the Olympics, the International Tennis Federation should make it the same for everyone."

"There is no chance that a serve-and-volley player is going to win here," he added.

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SPORTS OLYMPICS



Ben Johnson blasting out of the starting blocks in a 100-meter heat Friday. He reached the semis.

American Wins the Shot Put, Johnson Back in 100 Meters

BARCELONA — Mike Stulze of the United States won the first athletics title of the Barcelona Olympics on Friday when he upset the favorites in the men's shot put. The 25-year-old Texan, who returned to competition this year after serving a two-year suspension for drugs, finished ahead of his compatriot James Deshaies. Stulze pulled 21.70 meters with his fifth attempt, breaking records of 20.96 and 21.65 meters set by the Unified Team with third and fourth place. The favorite, Werner Günthör of Switzerland, twice world champion, finished out of the medals in fourth place. It was the first time an American has won a men's shot put gold since Randy Matson at the 1968 Mexico City Games. Daniel Plaza of Spain won the men's 20-kilometer walk in an unofficial 1 hour, 21 minutes, 43 seconds Friday at the Olympics. Guillaume LeBlanc of Canada was second in an unofficial 1:22:25. Giovanni DeBenedictis of Italy was third in 1:23:12. In the men's 100-meter competition, Ben Johnson, who left the Seoul Games in disgrace four years ago, returned to the Olympics with a pair of solid races in the heats as he advanced to the semifinals. But Zola Budd Pieterse, who was a center of controversy at the 1984 Los Angeles Games, failed to qualify for the women's 3,000-meter final. Pieterse, now running for her native South Africa, finished ninth in her heat in the first round. Running as Zola Budd and on a British passport at the 1984 Games, she collided with Mary Decker Slaney and the American was unable to finish the race. Budd also frequently was the target of anti-apartheid demonstrations. In the women's 100, four-time Olympian Evelyn Ashford and two American teammates eased into the semifinals. Johnson was greeted with loud cheers and a few derisive whistles as he was introduced for perhaps his most important races since forfeiting the 1988 Olympic title and a world record because of drug use. Though he is a shadow of his 1988 self, both physically and in terms of speed, Johnson ran well to advance through two rounds of the 100. In the morning session, he exploded from the blocks — as in times past — and built an early lead before relaxing and finishing second in his heat in 10.55 seconds. In the evening's second round, he overcame a false start to place fourth in his heat in 10.30 seconds. "I'm not feeling any pressure right now," Johnson said. "I'm not worrying I am going to win. I'm just happy to be here." Johnson and the top contenders for the 100 title, including the Americans Leroy Burrell, Dennis Mitchell and Mark Witherspoon, all qualified for Saturday's semifinals. In the women's 100, Ashford, Gwen Torrence and Gail Devers all passed their opening tests. Most of the favorites, including Merlene Ottey of Jamaica and Irina Privalova of the Unified Team, also easily advanced through the morning's first round and the evening's second round into Saturday's semifinals. Privalova had the fastest time of the day, 10.98 seconds, in the second round. Ashford, 35, won her second-round heat in 11.13 seconds. She also competed in the Olympics in 1976, 1984 and 1988. She has won three gold and one silver medal in previous Games. Torrence, who placed fifth in the 100 and sixth in the 200 at the 1988 Seoul Olympics and will compete in both events again in Barcelona, placed second to Ottey in their second-round heat. Ottey finished in 11.15 seconds, with Torrence right behind in 11.17. Devers, of Seattle, who also will be competing in the 100-meter hurdles in Barcelona, finished second to Privalova in their second-round heat with a time of 11.17. Two American women, Joetta Clark and Julie Jenkins, qualified for the semifinals of the 800 but Meredith Rainey missed qualifying by half a second. The top qualifier was Inna Eveseva of the Unified Team in 1:58.58. Also qualifying was Sigurn Grau of Germany, who as East German Sigurn Wodars won the Olympic 800 in Seoul. The silver medalist in that race, Christine Wachtel of Germany, failed to qualify this morning. Clark was fourth-fastest in the first round with a time of 1 minute, 59.62 seconds, was eighth in 1:59.96. It was an inauspicious start for the track and field competition, which already was suffering from the absence of some of its biggest names — including women's sprint champion Katrin Krabbe and Olympic heroes such as Roger Kingdom and Edwin Moses. Carl Lewis will not be defending his 100-meter title, and world champion Dan O'Brien won't be seeking a record in the decathlon. Florence Griffith Joyner is abandoning her throne as the queen of speed. (Reuters, AP)

LITTLE: Increasingly, It Looks Like Kids' Olympics

(Continued from page 1) an event she can't possibly win? Better to ban her altogether. Ban all of the big people. Then you won't have to test for steroids. Anyone with any kind of defined muscle mass will automatically be banned. Bulk will be replaced by speed. The only drug tests we'll ever need will be random scans for high sugar content. Everything else will be simplified. On their way into the Opening Ceremonies in 1996, every athlete will be led past a smiling cardboard cutout of the rock star Prince. Anyone taller than Prince won't be allowed into the Olympics. To prevent jockeys from sneaking into the competition, they'll also have to produce a valid student-body identification card. Once they've been cleared by Prince and they hear the crowd cheering for them, they've become eligible to win a gold medal. What could possibly be fairer than that? The little people themselves convinced me of this plan Thursday night, when they held a news conference after medaling in the women's all-around gymnastics competition. In the back of the room were at least 10 men and women sitting behind control panels in soundproof booths, translating the words of the gymnasts. In the audience sat more than 100 journalists, many of them middle-aged, asking questions of the gymnasts and then listening to the translated responses through high-tech headsets. Sitting at the head table, in between their

Hungarian Swimmer Captures 3d Gold Australian Shatters His 1,500 Mark

Australian Shatters His 1,500 Mark

Compiled by Our Staff From Dispatches BARCELONA — Kieren Perkins annihilated his rivals, Kristina Egerszegi achieved a dazzling golden triple and the Olympic swimming program closed in a cascade of world records on Friday. Perkins, an 18-year-old Australian, turned the men's 1,500-meter freestyle into a rout and carved nearly five seconds off his world record as he left the German world champion, Jörg Hoffmann, in his wake. Jeff Rouse trimmed his 100-meter backstroke world mark and inspired the U.S. men's medley relay squad to equal the world record set by the American team at the Seoul Games. The United States finished the top nation in the Bernat Picornell pool, with 11 titles. Yang Wenyi lowered her own world mark to win the 50-meter freestyle gold and bring China's powerful women's squad their fourth title. Hungary's Egerszegi, without peer in the women's backstroke, retained her 200-meter title with ease. She became the only swimmer to win three individual titles at the Games after collecting the 400 individual medley and the 100 backstroke. Fellow Hungarian Tamas Darnyi managed to repeat his golden 200 and 400 individual medley double of Seoul but had to fight a tremendous battle to win Friday's 200 event by a fraction. American Summer Sanders finally clinched her Olympic gold with a win in the women's 200-meter butterfly. She had won a silver in the 200 individual medley and a bronze in the 400 individual medley. But Perkins supplied the most momentous victory of the day, leaving the rest for dead as he forged further and further ahead. He finished in 14 minutes, 43.48 seconds to slice 4.92 seconds from the world record he set in Canberra last April. After a narrow defeat by Russian Evgeni Sadoyev in the 400-meter freestyle final, Perkins wanted the title far more than the record. "It didn't matter about the world record," he said. "Winning is what you want. World records don't count. It wouldn't have mattered if I'd swum 16 minutes." Hoffmann, who beat Perkins for the 1991 world championship gold by just 0.22 seconds in a titanic duel in Perth, could not live with the pace this time. Glen Housman made it an Australian one-two by taking the silver in 14:55.29, with Hoffmann just hanging on for the bronze in 15:02.29. "Best swimmers are always easiest to do," Perkins said. "The swim did not feel that hard but I don't think I could have gone a helluva lot faster." "If I hadn't got a gold medal," he added, "I didn't want to go home." Rouse, beaten to the 100 backstroke gold by Canadian Mark Tewksbury, made amends in the relay by lowering his backstroke world mark to 53.86. It gave the United States the perfect medley relay start. Nelson Diebel, Pablo Morales and Jon Olsen concluded the business by equaling the world mark of 3:36.93 set in Seoul by their U.S. predecessors. The medley relay victory gave Matt Biondi, watching from poolside, his 11th career medal, including eight golds, two silvers and a bronze. That tied the American record for most medals, shared by swimmer Mark Spitz and shooter Carl Osburn. Biondi didn't swim in the final, but he gets a medal because he was on the team that qualified early in the day. Egerszegi lowered her own Olympic 200 backstroke record for the second time in a day to 2:07.06, but the 2:40-second gulf that separated her from silver medalist Dagmar Hase of Germany was more remarkable. "Kristina is in a world of her own," said Hase, who won the 400 freestyle gold. "I managed to beat her at the 1989 European championships but that is the first and last time. She is in a different world." Teammate Darnyi had to work harder than ever to complete a unique Olympic individual medley double at successive Games. Darnyi, double world champion in both 1986 and 1991, trailed fourth at the final turn but hauled his way past his rivals to win by just 0.21 seconds from American Greg Burgess. Yang and Zhuang Yong, the women's 100 freestyle champion, made it one-two for China in the 50 freestyle and Yang trimmed her four-year-old world record from 24.98 to 24.79. (Reuters, AP)



Tamas Darnyi of Hungary, left, gets a kiss from his teammate Atila Czene after he won his second gold, in the 200-meter medley.

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Gymnastics Sweep For Unified Team

BARCELONA — Vitali Scherbo, who says he dislikes the rings, scored 9.900 on the apparatus on Friday to edge his teammate, Grigori Misutin, and win the men's gymnastics all-around gold medal. In a clean sweep for the Unified Team, Valeri Belyuk took the bronze. Scherbo, who is from Belarus, took to the rings knowing that he needed more than 9.800 to beat Misutin, who had just finished off his six-aparatus rotation with a splendid 9.900 on the high bar, on which he won gold at the world championships in April. The 20-year-old Scherbo, world champion on the rings despite his dislike of them, performed superbly to also collect 9.900. The Unified Team trio had led in one order or another, from the start of the event and never gave any of their rivals a chance. The three men had helped the Soviet Union to win the team gold at last year's world championships in Indianapolis, where Misutin also took the all-around gold and Scherbo the silver. Not since 1952 has anyone but a Soviet-trained or Japanese man won the all-around Olympic title. Scherbo, who with his colleagues won the team title here earlier this week, paid tribute to coach Leonid Artyukov, who led the Soviet team for 20 years and plans to move abroad after these Games when the Unified Team breaks up. "The victory was all down to our coach, he really is the best in the world," said Scherbo, who also won gold on the pommel horse in the world championship in April. Belyuk led for the first two rotations, then it was Misutin's turn and Scherbo took charge after scoring 9.875 on the floor exercise in the fourth. Scherbo amassed 59.025 points to Misutin's 58.925 and Belyuk's 58.625. The three will go their separate ways after the Olympics, with Misutin representing Ukraine and Belyuk competing for Azerbaijan. (Reuters, AP)

2 Banned for Drugs May Be Allowed Back

BARCELONA — Two British weightlifters sent home from the Barcelona Olympics in connection with drug tests could be allowed back, the British Olympic team said on Friday. Spokeswoman Caroline Searle said the cases of Andrew Saxton and Andrew Davies were being re-examined at meetings of sports officials in Barcelona and London. "There is a possibility of their reinstatement," Searle said. "I can't tell you anything for the moment." Searle said Thursday that Davies and Saxton, both 25, had been sent home after random out-of-competition drug tests conducted in Britain before the Games showed traces of a banned stimulant and anabolic agent, clenbuterol. Both men plan appeals against a lifetime ban imposed by the British Amateur Weightlifting Association following the tests, which were carried out earlier this month. Tamas Ajan, head of the International Weightlifting Federation, said on Friday that Saxton and Davies had passed his group's separate, compulsory pre-Olympic tests. The pre-competition Weightlifting Federation checks, which complement standard International Olympic Committee tests after each event, were introduced by the Federation in a drive to clean up the sport after a succession of doping scandals. Two Bulgarian gold medalists and a Hungarian silver medalist were stripped of their titles at the 1988 Olympics in Seoul. British sprinter Jason Livingston was also sent home from Barcelona after traces of a banned steroid were found in his urine. He has denied taking drugs. The tests on all three British athletes were carried out by the British Sports Council's "flying squad" of random testers, who turned up without notice to take urine samples as part of a special program in the months before the Olympics. None of the athletes had competed in Barcelona. He declined to comment on the possibility that other Olympic weightlifters had used banned drugs before the Games but stopped in time to pass the federation test, which all lifters must take five days before they compete here. Livingston, in an interview with the South London Press, he said he had "never, never used steroids." "I abhor the use of drugs in sport," he added. "I pleaded with the officials until I was blue in the face. The test result must have been a mistake and even the British manager backed me." Livingston said the only medication he had taken before the test that he failed, which was administered on July 15, was when he had pulled out of an international meet in Edinburgh. "I had a stinking cold and bought some cod liver oil, multivitamins and paracetamol," he said. "The only other medication is a new Japanese product called Muschi, which is meant to replace the proteins lost after training and competition."



Summer Sanders raised a fist to her 200-meter butterfly gold.

OLYMPIC NOTEBOOK

■ Maybe No, Maybe Maybe Janet Evans, the 20-year-old American star of the 1988 Olympics in Seoul, had been expected to quit the sport if she won the 800-meter freestyle, ending her career with a fourth gold. Now she's not so sure, Reuters reports. "I'll take a long break and think about education," she said. "I want to get a college degree." But the sport has given her a lot. "Maybe I'll be at the 94 world championships. Things happen, you never know."

■ Room to Breathe Barcelona's Olympic traffic regulations are a breath of fresh air for marathon runners, Reuters reported. Pollution in the city center could fall by 15 percent now that cars have been banned from many central streets to stop traffic jams, according to a study being conducted by a team of scientists. More than 30,000 cars a day normally belch out exhaust fumes which clog the air, leaving a hazy smog over the city.

Advertisement for Seiko timing equipment. It features the Olympic rings logo and the text: 'AFTER THE RACE, ALL EYES ARE ON US. Seiko. The world's most precise timekeeping technology.' Below the text is a digital display showing '9.86' and the Seiko logo. At the bottom, it says 'Official Timer of the Games of the XXV Olympiad'.

DAVE BARRY

Biodiversity in the Yard

Miami — On the same day that President Bush and his entourage flew down to the Earth Summit in Brazil for the purpose of not signing the biodiversity treaty, I was sprinkling Dr. T's Snake-A-Way snake repellent around our yard.

Nick Tosches: Dean Martin's Boswell

By Karen Schoerer
New York Times Service

NEW YORK — When Nick Tosches told friends and acquaintances that he wanted to write a book about Dean Martin, most of them looked skeptical and said: "Dean Martin? Is he still alive? Yes, he's still alive, Tosches would answer patiently.



Nick Tosches, author of 'Dean Martin's Boswell'.

In Newark, Tosches recalled, "my father, ah, had an interesting career." "He was a bouncer in burlesque houses, then he went into the bar business, and I basically grew up in that business with him," he said.

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PEOPLE

Can It Really Be True?

Mick and Jerry May Call It Quits After Only 18 Months of Marriage? The Daily Mail in London quotes Jerry May, 34, as saying: "I suppose we'll get divorced. I'm not too much in pain for this to go on any longer."

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